

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

May 4, 2009 – 4:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Carl Ford, Chairman
Jon Barber, Vice-Chairman
Raymond Coltrain, Member
Tina Hall, Member
Chad Mitchell, Member

County Manager Gary Page was absent. Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Ford convened the meeting at 4:00 pm.

Chairman Ford noted County Manager Gary Page's absence and said Mr. Page was unable to attend due to a back injury. Chairman Ford also welcomed the National Association of Sportscasters and Sportswriters to Rowan County.

Commissioner Mitchell provided the Invocation and also led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Coltrain seconded and the vote to approve the minutes of the April 20, 2009 Commission Meeting passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

- Chairman Ford moved to change the order of presentation for agenda item #3 (Public Hearing for Sustainable Textile Group, LLC Investment Grant Incentive) to agenda item #11a. The motion was seconded by Commissioner Barber and passed unanimously.
- Chairman Ford moved to add to the Consent Agenda a request to schedule a public hearing for May 18, 2009 for the 2009 Solid Waste Management Plan. Commissioner Mitchell seconded and the motion carried unanimously.

CONSIDER DELETIONS FROM THE AGENDA

Chairman Ford moved to delay discussions for agenda item #11 (Consider Request from Mount Ulla Historic Preservation Society to Extend Millbridge Scenic Byway) for two (2) weeks. Chairman Ford said the Board had been provided with only one (1) book of information for the request and that he had not had ample time to review the materials. Chairman Ford said the Board also needed extra time to ensure that the request would not conflict with the County's Land Use Plan. The motion was seconded by Commissioner Mitchell.

Commissioner Coltrain asked if the delay would interfere with the application process for the scenic byway extension and Chairman Ford responded no.

Upon being put to a vote, the motion on the floor passed unanimously.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved, Commissioner Hall seconded and the vote to approve the agenda passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Mitchell moved approval of the Consent Agenda. The motion was seconded by Commissioner Barber and carried unanimously.

The Consent Agenda consisted of the following items:

- A. Approval for Rowan Public Library to Apply for Community Giving Grant to Promote Early Childhood Reading
- B. Approval of Juvenile Crime Prevention Council's Funding Recommendations for FY 2009-2010
- C. Approval of Proclamation for "Let's Get Connected Day" on May 16, 2009
- D. Approval of Proclamation for National Day of Prayer on May 7, 2009
- E. Approval of Associated Resolutions, Capital Project Ordinance, Budget Amendment and New Escrow Account with BB&T for Construction of Classroom Building on the North Campus of RCCC
- F. Reschedule Public Hearing for Financing of Rowan Cabarrus Community College Classroom Construction to May 18, 2009
- G. Set Public Hearing for May 18, 2009 to Consider Proposed Budget Amendment to CDBG-ED Project for RDH Tire

2. PUBLIC COMMENT PERIOD

Chairman Ford opened the Public Comment Period to entertain comments from any citizens wishing to address the Board. The following individuals came forward:

- Rose LaCasse from Mount Ulla discussed the request for the Millbridge Scenic Byway Extension. Ms. LaCasse felt the extension would be good publicity for Rowan County as it would bring in additional tourists. Ms.

LaCasse said the application to extend the scenic byway had been submitted over one (1) year ago.

With no one else wishing to address the Board, Chairman Ford closed the Public Comment Period.

As Chairman Ford was preparing to move to the next agenda item, James Rollans asked to address the Board as part of the Public Comment Period. Mr. Rollans discussed the instructions for the application for the request to extend the Millbridge Scenic Byway and said he would provide a copy of the instructions for the Board.

3. PUBLIC HEARING FOR SUSTAINABLE TEXTILE GROUP, LLC INVESTMENT GRANT INCENTIVE

This item was moved in the order of presentation to agenda item #11a.

4. PUBLIC HEARING FOR HENKEL CORPORATION INVESTMENT GRANT INCENTIVE

Economic Development Director Robert Van Geons provided a power point presentation and discussed the potential expansion of Henkel Corporation (Henkel) in Salisbury. Mr. Van Geons said company representatives were also present to address any questions the Board might have.

Mr. Van Geons discussed the progress of the project and said approval of the Board would be the first official action on the project. Mr. Van Geons said the company was also working with the State and the City of Salisbury for possible incentives and support.

Mr. Van Geons introduced Nancy Lee, Director, AE, for the Henkel Corporation. Ms. Lee also introduced Plant Manager Hugh Artie, Engineering Manager Jim Joseph and Controller Katrina Brown.

Ms. Lee provided a site history and said the site was originally developed for Proctor Chemical in 1965 and contained approximately 500 acres. In 1969, the business was acquired by National Starch and Chemical Company. In January of 2008, Akzo Nobel acquired the entire site and all facilities with an expectation to resell the electronic and industrial adhesive business to Henkel. Ms. Lee said in April of 2008, 53 acres, a series of buildings and 81 of the existing employees officially began Henkel's operations in Salisbury. Henkel, headquartered in Dusseldorf, Germany, had 52,000 employees worldwide. Ms. Lee said the Salisbury facility was part of the adhesive technology sector and said the expansion would further the electronics sector.

Ms. Lee said when National Starch Company had merged into Henkel, a decision had been made to consolidate six (6) facilities into two (2) sites. Ms. Lee expressed hope that one (1) of the sites would be in Salisbury. Ms. Lee said 50

jobs were at risk if another site was selected. Ms. Lee said Henkel would spend approximately \$20 million and create over 100 new jobs. Ms. Henkel thanked the State of North Carolina, Rowan County, City of Salisbury and Duke Energy for their work with the project.

Mr. Van Geons said an economic impact study was completed as required under the County's Investment Grant Program. Mr. Van Geons said the project would create 103 new jobs with an average wage exceeding \$54,000 per year and invest approximately \$23 million in new buildings, site improvements and equipment. Mr. Van Geons said the goal of the project was to keep the Salisbury facility and to expand the site. Mr. Van Geons said the project qualified for a Level 1 incentive grant.

Mr. Van Geons said 81 jobs would be retained, 103 new jobs would be created with an average pay exceeding \$54,000 and \$5,600,000 annually in new payroll.

Mr. Van Geons highlighted the information regarding jobs, salaries and the assessed values through the various years as listed in the grant.

Mr. Van Geons summarized the following outcomes:

- While facilities are under construction in 2009 and 2010, there would be no abatement of the current taxes due. Estimated revenue during this period would be \$48,157
- During 2011 to 2015, the company would receive the incentive grant, paying an estimated \$121,762 in new taxes and receiving \$91,321 in grant funds. The County would net approximately \$30,440 in revenue.
- At the expiration of the incentive agreement, beginning in 2016, the County retains the full amount of revenue collected, estimated to be \$180,350 plus annually.
- During the 10-year study period, it was projected that the County would receive \$1,590,089 in revenue, provide \$533,019 in grant funding and retain new revenue of \$1,057,070.

Mr. Van Geons said Henkel was seeking other assistance from the State in the form of discretionary grants which would require a local match.

Chairman Ford opened the public hearing to receive citizen input regarding the proposed investment grant incentive for Henkel Corporation. The following individuals came forward:

- James Taylor, a member of the EDC Board, read a statement from Jeanie Moore, EDC Chair, who was unable to attend the meeting. Mr. Taylor said the EDC had worked aggressively for both projects to be presented during the meeting. Mr. Taylor discussed the County's job losses in the past year and the potential impact of new jobs. Mr. Taylor asked the Board to make Rowan County a top choice for the projects. Mr. Taylor

said the EDC Board supported the projects and that there were six (6) EDC Board members in attendance to answer any questions the Commissioners might have.

With no one else wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Barber addressed Mr. Van Geons and Ms. Lee and asked if they could offer a rough timeline of the project, and when hiring would begin. Ms. Lee said the goal would be to start construction in June. Ms. Lee said there would be immediate first level hiring with the bulk of production not starting until 2011-2012.

In response to a query from Commissioner Hall, Mr. Van Geons said the impact analysis study for the Toyota project had been prepared by professionals who had access to multipliers and schedules and that he would be happy to provide the Board that background source data.

Commissioner Hall asked if the study was done "in house" and Mr. Van Geons said yes, with the help of the Tax Administrator, the Company and the State Department of Commerce.

Commissioner Hall inquired on the fiscal analysis of the impact of the project on the community and why there was no mention of services and schools. Mr. Van Geons said the property was properly zoned with a utility system that had surplus capacity. Mr. Van Geons said there was also 8,500 registered unemployed citizens in Rowan County; therefore, there was no need to import additional workforce. Mr. Van Geons said the goal for both projects was to put some of the 8,500 displaced workers back to work.

Commissioner Hall inquired as to the pre-application to the County Commission. Mr. Van Geons said the pre-application had been made to the Chair, County Manager, and others, and apologized if the document stated the pre-application should be made with the full Board.

Chairman Ford reported that he had met with the EDC concerning the project and he agreed that in the future, the pre-application should be handled by the full Board.

Commissioner Hall noted the impact analysis had been delivered Friday afternoon after the office was closed; she said she would like to have more time to review the document.

Commissioner Hall asked how many of the new employees would be Rowan County residents and Ms. Lee responded most would live close to the plant and the majority would come from Rowan County.

Commissioner Hall asked if the company was committed to staying the full ten (10) years in Rowan County. Ms. Lee said once a company spent \$23 million for an expansion, they were not likely to walk away.

Commissioner Coltrain thanked the Henkel Corporation for considering Rowan County. Commissioner Coltrain asked if the citizens of Rowan County would be capable to fulfill the job responsibilities. Ms. Lee said the goal was always to hire locally. Commissioner Coltrain noted that the retraining being done in the education system was working in order to help meet the job skills required. Ms. Lee added that the education system had also agreed to help set up additional training.

Commissioner Mitchell said he was glad he was not reading about the potential expansion going elsewhere. Commissioner Mitchell thanked the EDC in conjunction with those listed on the acknowledgement page. Commissioner Mitchell said it was nice for the impact study to be performed in house.

Commissioner Mitchell moved approval of the grant and the contract titled Relocation and Expansion Assistance Agreement with one parenthesis added after "Company" in the first paragraph. Commissioner Coltrain seconded and the motion passed unanimously.

5. CONSIDER REQUEST TO SET PUBLIC HEARING FOR MAY 18, 2009 FOR PROJECT HEAT INVESTMENT GRANT INCENTIVE

Economic Development Director Robert Van Geons requested that the Board schedule a public hearing on June 1, 2009 to consider an investment grant incentive for "Project Heat". The original request had been to schedule the public hearing for May 18, 2009. Mr. Van Geons said the project would represent approximately \$400 million of new investment in Rowan County.

Mr. Van Geons said Project Heat was an electrical power generation project, proposed by a non-publically regulated power producer. Mr. Van Geons said as such, the project would select the location for investment based largely on the availability of necessary infrastructure and local variables that affect production costs.

Mr. Van Geons said due to the unique construction timeline, large investment size and competitive nature, Project Heat intended to request an incentive agreement that would vary in structure and duration from the guidelines set forth in the Rowan County Investment Grant Program.

Mr. Van Geons said the company name would be made public with the notice for the public hearing.

In response to Commissioner Mitchell, Mr. Van Geons said the total amount of the grant would be more than 85% for five (5) years which was the policy. Mr.

Van Geons said the rate would be in line with what other communities in North Carolina had offered for similar projects. Mr. Van Geons said the company was considering other sites and in order to be competitive, the company set the desired rate.

Commissioner Mitchell moved, Commissioner Barber seconded and the vote to set the public hearing for June 1, 2009 as requested passed unanimously.

6. PUBLIC HEARING FOR Z 01-09 FOR HARRY & JOSEPHINE POWERS

Planner Andy Goodall reported that Harry and Josephine Powers owned Tax Parcel 216 002000001 located at 2475 London Road near the Iredell/Rowan County border. Mr. Goodall said the 38-acre parcel was primarily zoned Rural Agricultural (RA), with the exception of 4 acres zoned Manufactured Home Park (MHP) along the northeastern boundary of the parcel. Mr. Goodall said Staff had been presented with the final plat for a 1-lot, 1.03-acre family subdivision (FS 08-09) at the rear of Powers Mobile Home Park. The new lot would be deeded to the Powers' grandson, Mark Willis, with the intent of constructing a single family residence.

On behalf of the Powers request, Planning Staff requested a zoning map amendment to adjust the current zoning boundary to reflect the actual boundary of the Powers Mobile Home Park by rezoning 2.2 acres at the rear of the park from MHP to RA and 2.2 acres at the front of the park from RA to MHP. The rezoning would allow Mr. Willis to complete the family subdivision and the construction of his single family residence with the proper zoning designation, as well as extend the front portion of the park to MHP to incorporate additional mobile units.

Mr. Goodall highlighted the Zoning Criteria contained in the staff report.

Staff recommended approval of the request.

Mr. Goodall said the Planning Board met on March 23, 2009 and unanimously voted to support the request.

Commissioner Coltrain asked how many mobile homes would be located on the front portion and whether the amount would increase. Mr. Goodall said in talking with the applicant, the existing mobile homes would probably be moved.

Chairman Ford opened the public hearing to receive citizen input regarding Z01-09 for Harry and Josephine Powers.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Mitchell moved to adopt the Statement of Consistency from the Planning Board. Commissioner Barber seconded and the motion carried unanimously.

The Statement of Consistency read as follows:

The request for rezoning of 2.2 acres from Rural Agricultural (RA) to Manufactured Home Park (MHP) in the front of Powers Mobile Home Park and for rezoning of 2.2 acres from Manufactured Home Park (MHP) to Rural Agriculture (RA) in the rear of the Powers Mobile Home Park is consistent with the purpose of both zoning districts. The zoning boundary adjustment (rezoning) does not increase the size of the Manufactured Home Park (MHP) district and should have little if any effect on the general character of the area.

Commissioner Mitchell moved approval of Z 01-09. The motion was seconded by Commissioner Barber and passed unanimously.

7. PUBLIC HEARING TO CONSIDER ADOPTION OF DIGITAL FLOOD INSURANCE RATE MAPS

Senior Planner Shane Stewart provided a power point presentation and explained that Rowan County currently administered the requirements of the National Flood Insurance Program (NFIP) utilizing Flood Insurance Rate Maps (FIRM) produced by the Federal Emergency Management Agency (FEMA) that were produced in 1979. Mr. Stewart said through a partnership between FEMA and the North Carolina Floodplain Mapping Program, Digital Flood Insurance Rate Maps (DFIRMs) were created to modernize the floodplain management process and ultimately attempt to decrease the costs associated with flooding events.

The DFIRM's allow one to view the floodplain location along with its associated topographic information within a Geographic Information System (GIS) and compare with other data such as parcel information. DFIRMs allow one to more easily determine if a property or structure is located within a floodplain as compared to the previous method of scaling the property or structure location relative to the floodplain.

Mr. Stewart said there were approximately 4,000 parcels either wholly or partially located with a Special Flood Hazard Area (SFHA), (commonly referred to as the 100 Year Floodplain). Since most of these properties currently contain SFHAs based on the current effective maps from 1979, adoption of the DFIRMs would largely result in a more precise location of the existing SFHA. Other properties may be affected by new SFHAs that did not previously exist along streams, while other SFHAs are eliminated as a result of the new maps.

Mr. Stewart reported that two (2) half-page advertisements were published within the Salisbury Post as a joint effort between the County and select municipalities in an effort to reduce cost for jurisdictions adopting the new maps and ordinance.

Mr. Stewart said the Board approved an Interlocal Agreement on November 15, 2004 with all ten (10) Rowan County municipalities to perform building inspections and flood administration as listed in the staff report.

Mr. Stewart said adoption of the new DFIRMs was mandatory to maintain participation in the NFIP and Rowan had been a participating member since November 1, 1979. The NFIP provides citizens the ability to purchase flood insurance that would otherwise be unavailable. Secondly, a new Flood Damage Prevention Ordinance must be adopted in response to new terminology used with the DFIRMs and compliance with changes resulting from the North Carolina Flood Act passed by the General Assembly in 2000. The Board was asked to consider authorization of the revised Interlocal Agreement.

Mr. Stewart reported that the Planning Board and Staff recommended approval.

Chairman Ford commented how the new digital map affected the properties included and Mr. Stewart provided an example of a discrepancy with the maps.

In response to Commissioner Mitchell, Mr. Stewart said the new requirements would be less restrictive.

Commissioner Mitchell questioned the difference under the new ordinance for building in a floodplain versus the current ordinance. Mr. Stewart said the new ordinance would require a minimum of three (3) visits by the surveyor.

Commissioner Coltrain referred to the base flood elevation and asked if it was calculated on a 25-year 24-hour range event. Mr. Stewart said the elevation was calculated on a 100-year floodplain, or a 1% chance.

Commissioner Coltrain said the new maps reflected streams that were flooding more frequently with less rainfall due to development within the County. Mr. Stewart used the power point presentation to point out various streams as he explained that the information in the new ordinance had been studied more extensively. Mr. Stewart said thirty years ago, the funds had not been available to study the development, etc.

Chairman Ford opened the public hearing to receive citizen input regarding the adoption of the Digital Flood Insurance Rate Maps and revised Flood Damage Prevention Ordinance.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Barber moved to accept the new Digital Flood Insurance Rate Maps. Commissioner Coltrain seconded and the motion passed unanimously.

Commissioner Barber moved to adopt the new Flood Damage Prevention Ordinance. Commissioner Coltrain seconded and the motion passed unanimously.

Commissioner Barber moved to authorize the revised Interlocal Agreement. The motion was seconded by Commissioner Coltrain seconded and passed unanimously.

8. CONSIDER APPROVAL OF PE 02-09: REQUEST FOR PERMIT TO EXCEED NOISE STANDARDS FROM TAMARAC LLC

Senior Planner Shane Stewart said Tamarac LLC was requesting a permit to exceed the Rowan County Noise Ordinance for The Rally at the River charity fundraiser event at Tamarac Marina beginning Friday, May 29, 2009 and continuing through Sunday, May 31, 2009. Musical performances were scheduled throughout each day terminating at approximately 1:00am on Friday and Saturday night, and 6:00pm on Sunday evening.

Mr. Stewart said Section 14.12 of the Noise Ordinance provided an opportunity to exceed the amplified sound standards in the form of a “permit to exceed” when the event was open to the public.

Staff recommended approval of the Request.

Chairman Ford opened the public hearing to receive citizen input regarding the request for a permit to exceed noise standards from Tamarac LLC.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Commissioner Hall asked how the funds raised from the event were used and Mr. Stewart responded that he was unsure. Commissioner Hall said she had visited the website but it did not provide much information as to where the foundation’s home office was located, etc.

Commissioner Mitchell said it appeared the money went to the radio station show to take to children who qualified to Disneyworld.

Commissioner Coltrain moved, Commissioner Barber seconded and the vote to approve PE 02-09 passed unanimously.

Chairman Ford called for a recess at 5:20 pm

Chairman Ford reconvened the meeting at 5:35 pm.

9. CONSIDER APPROVAL OF CONSOLIDATION OF ANIMAL CONTROL SERVICES BETWEEN ROWAN COUNTY AND CITY OF SALISBURY

Health Department Director Leonard Wood reviewed the proposed Memorandum of Agreement between Rowan County and the City of Salisbury for consolidation of animal control services.

Mr. Wood said the Health Board had discussed several issues regarding animal control services and that the Health Board had asked him to contact the City of Salisbury to discuss those various issues. Mr. Wood said the request before the Board was a result of meetings held with County and City staff.

The projected costs for the County were \$30,000 for FY 2010-11 and an estimated cost of \$70,000 for FY 2011-12. Included in the 2011-12 fiscal year was \$15,000 from the City to purchase a new truck. All costs associated with the transfer would be the responsibility of the County after FY 2011-12.

Commissioner Coltrain asked if there were any differences between the current County policy and the City's policy. Mr. Wood said there may be some minor difference, but they are basically the same. Mr. Wood said any differences would be worked out before July 1, 2009.

Commissioner Hall asked if the County had any separate agreements for other municipalities and Mr. Wood responded no. Commissioner Hall then questioned why the County would need a separate agreement for the City and Mr. Wood said the City had their own animal control program, while the other municipalities were serviced by the County.

Commissioner Hall inquired as to the cost of transferring the employee from the City to the County and she pointed out the \$70,000 expense listed for 2011-2012. Mr. Wood said the \$70,000 was an estimate based on salary and benefit ranges, along with the cost of equipment. Mr. Wood said per the agreement, the City would sign over their existing animal control vehicle to the County. Mr. Wood said if the agreement were approved it would not be a contractual agreement other than the financial portion of the transfer. Mr. Wood said the main goal was consolidation of the two (2) services.

Commissioner Hall asked if the expense would be recurring and Mr. Wood responded yes.

Commissioner Hall asked if the employee would only cover the Salisbury area and Mr. Wood said no.

Commissioner Hall asked if the County would need to add the employee to cover Salisbury based on the number of existing employees and calls. Mr. Wood said yes, based on the additional call volume and geographic area that would be added. Mr. Wood the County currently had five (5) animal control officers and

with the addition of one (1) employee, he anticipated the County would not need to hire additional staff later.

Chairman Ford asked for an estimate as to how many additional calls would be made. Mr. Wood responded approximately 50-60 calls per month. Mr. Wood said the County currently received 200 calls per month and the additional calls from the Salisbury area would justify hiring the additional officer.

Chairman Ford said it was difficult to add a position under a hiring freeze.

Commissioner Mitchell said the City could stop providing animal control services at any time and the County would be responsible for responding to the calls. Commissioner Mitchell said with the agreement, the County would receive financial assistance, and a truck.

Commissioner Coltrain said the extension of help from the City was appreciated.

Commissioner Hall said the County was currently under a hiring freeze and she questioned the County trying to cover the area with current staff before adding an employee. Commissioner Hall said the County would be expected to maintain the position as part of the agreement.

Commissioner Coltrain pointed out that when the individual became a County employee, the County would have the latitude to eliminate the position if it was not needed. Commissioner Coltrain said he did not want to send the message to the individual that they would only have a job for the next year and a half.

Commissioner Mitchell moved approval of the animal control consolidation agreement. Commissioner Coltrain seconded and the motion passed unanimously.

10. PRESENTATION OF LOCAL EMERGENCY PLANNING COMMITTEE ANNUAL REPORT

Emergency Services Director Frank Thomason and State Highway Patrol 1st Sergeant Barry Hower provided the annual summary report for Rowan County's Local Emergency Planning Committee (LEPC).

Mr. Hower, Chairman of the LEPC, provided a power point presentation as he discussed the organization of the LEPC, its membership and purpose. Mr. Hower highlighted the 2008 LEPC activities and accomplishments and he reviewed the LEPC's goals for 2009.

Commissioner Coltrain discussed the requirements and importance of an industry reporting the chemicals it used on site. Commissioner Coltrain said it was important for emergency personnel to be informed of any volatile chemicals when responding to a call. Mr. Thomason said companies were required to

report chemicals stored on site. Mr. Thomason said there were some companies that did not meet the minimum requirements for reporting and yet they still reported the chemicals stored.

Chairman Ford thanked Mr. Thomason and Mr. Hower for the presentation.

11. CONSIDER REQUEST FROM MT. ULLA HISTORIC PRESERVATION SOCIETY TO EXTEND MILLBRIDGE SCENIE BYWAY

This issue was deleted from the agenda at the beginning of the meeting and delayed until the May 18, 2009 Commission Meeting.

11a. PUBLIC HEARING FOR SUSTAINABLE TEXTILE GROUP, LLC INVESTMENT GRANT INCENTIVE

(This item was moved in the order of presentation; originally listed as agenda item #3).

Economic Development Director Robert Van Geons provided a power point presentation regarding Sustainable Textile Group (STG). Mr. Van Geons said the proposed project would use a vacant facility in China Grove and discussed the importance of reusing an existing textile building to retain jobs in the area. Mr. Van Geons said there had been discussions with the State and Duke Energy on the reuse and rehabilitation of vacant textile facilities.

Mr. Van Geons introduced company representatives Luke Terrell and John Jordan.

Mr. Terrell said STG took waste materials from around the world and regenerated them into new fibers that were reused in products sold by STG. Mr. Terrell said the proposed plant would be used for spinning yarn. Mr. Terrell said there were large contracts in place and STG was aggressively looking at sites to fulfill the contracts. Mr. Terrell said the China Grove site was attractive because of the experienced workforce in place and the location and size of the existing plant. Mr. Terrell said STG had been in negotiations with other states for various sites and had been offered lucrative incentive packages. Mr. Terrell said STG felt it was an attractive opportunity to bring the company to China Grove and fill the void of lost jobs in the area.

Mr. Van Geons said the project would bring 223 new jobs paying an average wage exceeding \$29,100 per year and invest approximately \$10 million in building repairs, site improvements and new equipment. Mr. Van Geons said employees could be hired as soon as July or August if the grant was approved. Mr. Van Geons said there was also a potential for the employees who were previously laid off to return to work.

Mr. Van Geons said the company was a subsidiary of Strateline Industries, which was based in Arkansas, and produced non-woven fiber fabric made from manufacturing waste streams such as textiles, carpet and leathers.

Mr. Van Geons used the power point presentation to show the proposed site. Mr. Van Geons said there would be no additional air permits required or discharges compared to the previous operation. Mr. Van Geons said there would be no significant expansion beyond the current site; however there would be a significant investment in modernizing the building, infrastructure and equipment.

Mr. Van Geons said the requested incentive qualified for a Level 1 grant in the County's Investment Grant Program and the Town of China Grove would be asked to consider matching the County.

Mr. Van Geons said the new jobs would bring in \$6.5 million in annual payroll and \$2.2 million in the tax base retained.

Mr. Van Geons highlighted the multiplier effect and the secondary job creation.

Mr. Van Geons discussed the fiscal impact and summarized the findings as:

- The Company would be adding employees rapidly and the first year of the incentive would begin in FY2010-2011.
- During 2010-2014, the Company would receive the incentive grant, paying an estimated \$49,861 in new taxes, pay \$25,578 for retained equipment, and receive \$37,396 in grant funds. The County would net approximately \$30,440 in new revenue.
- At the expiration of the incentive agreement beginning in 2015, the county retains the full amount of revenue collected, estimated to be approximately \$59,000 annually.
- During the 10-year study period, it was projected that the County would receive \$590,644 in new and retained revenue, provide \$207,863 in grant funding, and retain net revenue of \$382,781.

Mr. Van Geons said other assistance was being pursued through grants from the State, the Town of China Grove and other sources.

Chairman Ford opened the public hearing to receive citizen input regarding the proposed investment grant incentive for Sustainable Textile Group, LLC.

With no one wishing to address the Board, Chairman Ford closed the public hearing.

Chairman Ford asked if STG would be using the existing spinning frames and Mr. Terrell said he was unsure if the existing equipment would be utilized. Chairman Ford said he had inquired about the frames to ensure proper training

would be available if new equipment was used. Mr. Van Geons added there had been discussions for training options in Gaston County.

Commissioner Coltrain asked if STG had the capability to use the former textile employees to fill positions. Mr. Terrell said STG planned to hire as many of the former employees as possible.

Commissioner Coltrain questioned the possibility of future expansion at this site. Mr. Terrell said STG was looking at another facility in North Carolina and an expansion would depend on certain criteria.

Chairman Ford said he was happy to hear the County might get some textile jobs back.

Commissioner Hall inquired as to how long the EDC had been working on the project and Mr. Van Geons responded seven (7) to eight (8) weeks.

In response to Commissioner Hall, Mr. Terrell said the company headquarters were located in Rogers, Arkansas.

Commissioner Hall asked how many of the 223 jobs would be residents of North Carolina. Mr. Terrell replied the intention was to hire all 223 people locally; however, there might be some management positions used for an expanded amount of time, or to be relocated here.

Commissioner Hall asked if STG anticipated remaining in the County for the projected ten (10) years and Mr. Terrell said it was STG's intent to remain.

Commissioner Hall expressed appreciation for hiring locally and thanked Mr. Terrell and Mr. Jordan for attending the meeting.

Commissioner Mitchell inquired as to the proposed change to the draft agreement. County Attorney Jay Dees said the proposed change was located on page 2, paragraph 5 of the agreement. Mr. Dees said the provision dealt with audit discoveries of property not listed in the agreement. Mr. Dees said property discovered would be taken out of the rebate agreement "forever". Mr. Dees said the company had requested that provision be changed to allow the discovered property to be removed for the discovered year only; if it was properly listed the following year, the property would become part of the agreement.

Commissioner Hall asked if the language was enough of an incentive to cause the company to properly list assets. Mr. Dees said having the provision in the agreement prompted those receiving the benefit of public funding, or rebates, to be up front. Mr. Dees provided an example of an error of intent. Mr. Dees said the current policy stated if an asset was found through an audit to have not been disclosed, it would be removed from the new value for the remaining years of the

contract. Mr. Dees said the request was to remove the asset from the rebate in the year it was discovered; if properly listed the following year, it would be included back.

Commissioner Hall asked if the Board could add the clause “for intent to deceive”. Mr. Dees said the clause could be added; however it tended to be more subjective than objective. Mr. Dees said for ease of determining this particular grant, it was an issue that was legislative in nature and not legal.

Commissioner Hall said she had no problem with the one (1) year unless it was not disclosed intentionally. Commissioner Hall said she was trying to determine how to hold a company accountable for intentional non-disclosure and felt the County should have an additional recourse.

Mr. Dees said he could draft additional language to bring back to the Board, which could be done separately from the decision of approving the grant.

Commissioner Barber moved to accept the investment grant incentive for Sustainable Textile Group, LLC. Commissioner Coltrain seconded.

Commissioner Barber asked Mr. Terrell if securing the contracts previously mentioned was the final decision as to whether the company would locate in China Grove. Mr. Terrell responded that STG would secure the contracts regardless of where it located.

Upon being put to a vote, the motion on the floor passed unanimously.

12. DISCUSSION REGARDING STATUS OF COUNTY-OWNED BUILDING AT 110 WEST INNES STREET

Commissioner Coltrain, who served as liaison with Downtown Salisbury, Incorporated (DSI), said he had followed up on discussions regarding management of county-owned property located at 110 West Innes Street. Through the use of a power point presentation, Commissioner Coltrain depicted the poor condition of the building. Commissioner Coltrain said it was estimated to cost \$250,000 to \$300,000 for repairs. The building on the property was currently leased to the Post Office through 2011, with an option to extend the lease through 2016. Commissioner Coltrain said the Post Office currently paid \$14,170 per year for the lease, and if the extension were granted the rate would increase to \$15,260 per year. Commissioner Coltrain said the potential income from the lease was \$104,640.

Commissioner Coltrain said the Humane Society occupied one room on the second floor and was not paying rent for the space. Per the lease agreement, the County paid for all utilities, which totaled \$5,272 in 2008.

Commissioner Coltrain said DSI had expressed an interest in preserving the building.

Commissioner Hall inquired what DSI was willing to pay for the building and Commissioner Coltrain responded no more than they have to.

Commissioner Coltrain said the assessed value from 2007 was \$95,000 and he said he understood the property could be donated to an organization such as DSI.

County Attorney Jay Dees said he would need to know more information before committing to donate the building.

Chairman Ford said he had received two (2) inquires as to whether the County was going to put the building "out for bid". Chairman Ford asked if the Board should consider holding the building for future expansion of County offices.

Commissioner Mitchell moved to declare the property as surplus and instruct the Chairman to appoint a committee to determine the best disposition of the building. Commissioner Hall seconded and the motion passed unanimously.

Chairman Ford said he would get back with the Board on the issue.

13. CONSIDER HIRING HEARING OFFICER FOR TOWER HEARINGS & FUTURE CONDITIONAL USE PERMIT HEARINGS

County Attorney Jay Dees said the first round of new tower issues were coming up, May 19, 2009 for the Zoning Board of Adjustment (ZBA). Mr. Dees said he thought an application had been submitted or may be submitted for a conditional use permit.

Mr. Dees said there was a conflict representing staff at a ZBA meeting, especially when staff had made a decision that had been appealed. Mr. Dees said due to the nature of the case, he had looked into someone serving as a hearing officer for the Board. Mr. Dees said all of the proceedings were quasi-judicial. Mr. Dees said the attorney's job of representing the Board needed to be separate from counsel representing staff. Mr. Dees said Anthony Fox currently represented the Board in tower related matters and he recommended that Mr. Fox continue to represent the Board and the ZBA Board on the pending appeal due.

Mr. Dees requested the Board to allow him to retain special counsel to represent staff when presenting their case. Mr. Dees said other jurisdictions followed the same protocol.

Mr. Dees said the special counsel would represent staff only for tower-related matters for the pending ZBA appeal, and also for future conditional use permit hearings, as needed before the Board. Mr. Dees said Mr. Fox would remain the

Board's attorney, as well as the ZBA. Mr. Dees proposed the Board permit him to have discussions with other attorneys at a rate not to exceed what is currently being paid to Mr. Fox (\$250/hr).

Mr. Dees said he would have a final proposal for the May 18, 2009 meeting.

In response to Commissioner Coltrain, Mr. Dees said the special counsel would be paid by an hourly rate and he anticipated approximately ten (10) hours of total time.

Commissioner Hall said the proposal would be money well spent and moved to accept Mr. Dees' recommendation to hire a hearing officer related to the tower issue. Commissioner Barber seconded and the motion passed unanimously.

Chairman Ford called for a recess at 6:55 pm.

Chairman Ford reconvened the meeting at 7:00 pm.

14. CONSIDER REQUEST TO ABC BOARD FOR EFFICIENCY REVIEW

Commissioner Hall said the information in the agenda packet was a request for the Board to consider an efficiency review of the ABC Board.

Commissioner Hall said at the December 1, 2008 Commission Meeting, Potter & Company had presented the 2008 Comprehensive Annual Financial Report, which included information regarding the ABC profits and revenue distributions to the County.

Commissioner Hall read the following summary taken from the minutes of the December 1, 2008 meeting:

“Commissioner Hall referred to pages 2-79, 2-80 and 2-97 of the CAFR pertaining to the Rowan/Kannapolis ABC Board and ABC profit distribution. Commissioner Hall pointed out that the profits for 2008 were \$25,000 and \$15,000 in 2007. Commissioner Hall said she thought the profits were low and she cited ABC profit comparisons with several other counties. Commissioner Hall expressed concern that the County was missing substantial revenue from ABC profits.

In response to a query from Commissioner Hall, Mr. Leder said his firm had audited the ABC books; however, the profits were not there. Mr. Leder said the Commissioners appoint the ABC Board, whose focus had been on alcoholic beverage control. Mr. Leder said it was the Commissioners' right to look into the matter.

Commissioner Hall said in 1951 the distributions were \$300,000 to the County and in 1967 the figure was \$872,000.”

Commissioner Hall said she had been appointed as a liaison to the ABC Board and she had asked the County Attorney to research the procedure for an efficiency review of the ABC Board. Commissioner Hall said the Board had recently asked for an efficiency review of its own County procedures.

Commissioner Hall said at the April 21, 2009 ABC Board meeting, it was noted there was no revenue distribution for the quarter. Commissioner Hall said the previous quarter had a \$50,000 distribution. Commissioner Hall said she had asked the ABC Board for an efficiency review for which they declined. Commissioner Hall said prior to the meeting, she met with Terry Osborne, ABC General Manager, to share her concerns. Commissioner Hall said she perceived the review as a healthy move in looking at every possible revenue source.

Commissioner Hall sought the Board's support for an official request to the ABC Board for an efficiency review. Commissioner Hall pointed out that there were emails from County Attorney Jay Dees, in the agenda packet which provided additional information. Commissioner Hall said one of the emails included information regarding the North Carolina General Statute that correlated with the ABC. Commissioner Hall said NCGS § 18B-805 stated the local board may set aside a portion of remaining gross receipts as a fund for specific capital improvement. Commissioner Hall said she could not find where the Board had decided to approve looking at capital improvements for the ABC Board. Commissioner Hall said the NCGS also addressed various ways distributions were conducted. Commissioner Hall said she had questions regarding the expenditure of alcoholism funds; she said some counties offered grants for programs providing education for alcoholism. Commissioner Hall said there was a possibility for the County to establish a grant program.

Commissioner Hall said the other emails provided related to an exchange between Mr. Dees and Marny Hendrick, Chairman of the ABC Board. Commissioner Hall said there was a difference of opinion on whether the Board should conduct an efficiency review. Commissioner Hall said she felt there were enough questions to warrant a review.

Commissioner Mitchell said the email from Mike Myrick to Mr. Dees dated January 28, 2009 listed several reasons why ABC profits might be down. Commissioner Mitchell said he would like to hear from the ABC Board if the reasons listed were applicable and to see if there was a way to get the profits up. Commissioner Mitchell said he did not have anything against an efficiency study, but he would like to hear directly from the ABC Board first.

Commissioner Barber said he understood Commissioner Hall's comments regarding Rowan County's disbursements as compared to other counties. Commissioner Barber said he agreed with Commissioner Mitchell and would also like to hear from the ABC Board.

Commissioner Hall said at the last Board meeting the profits were up even though across the State profits were down. Commissioner Hall said she understood the ABC Board was doubling up on payments to lower debt on new buildings; however, the bottom line was that profits were up.

Commissioner Barber said the last thing he wanted was to set up a confrontational issue and he would rather have an efficiency review with an ABC Board that was willing to cooperate. Commissioner Barber suggested having the ABC Board come before the full Board of Commissioners and to then make a decision regarding the request for an efficiency review.

Commissioner Hall said the Board would be asking for a review but the ABC Board would make the decision. Commissioner Hall commented that having an outside committee to review the ABC Board would be a win-win situation. Commissioner Hall said she did not have a problem with the ABC Board coming before the Commissioners; however, regardless of what would be stated, an efficiency review would not hurt. Commissioner Hall said unless there was something to hide, there was no reason to not welcome a review of the process.

Chairman Ford said he had no problem hearing from ABC Board and that he would like to request the efficiency review. Chairman Ford asked the Commissioners for their preference on hearing from the ABC Board first or voting to ask for review.

Commissioner Mitchell said he wanted to maximize profits and if it took an efficiency committee to do so, he would agree; however, he first wished to hear from the ABC Board.

Commissioner Coltrain said the audit report from December stated the numbers were correct and at that time, the ABC Board was shouldering the costs for educational and alcohol enforcement programs. Commissioner Coltrain said the ABC Board was also working to pay off debt ahead of schedule, which would save money in the long run. Commissioner Coltrain said he would appreciate a presentation by the ABC Board before a decision was made.

Commissioner Hall said she thought the citizens would like to hear why the ABC Board would not be open to an efficiency review.

Chairman Ford said the Board would hear from the ABC Board on May 18, 2009 and vote afterwards regarding a request for an efficiency review.

15. SCHEDULE DATES FOR BUDGET WORK SESSION(S)

Chairman Ford discussed the possibility of a Special Meeting on June 30, 2009 to consider adoption of the 2009-10 budget. Chairman Ford mentioned a recent meeting of the North Carolina Association of County Commissioners (NCACC) where the State's budget was discussed and he said the NCACC was suggesting

that all counties meet on June 30 regarding budget adoption. Chairman Ford said the Board should be prepared for a Special Meeting on June 30, 2009.

Commissioner Mitchell asked if it would be the Board's intention to call a Special Meeting for June 30, 2009 to pass the budget. Chairman Ford replied "more than likely" and said the NCACC was suggesting that local governments should wait until that date to approve their budgets.

The Board discussed various dates and times to conduct budget work sessions. It was the consensus of the Board to hold the work sessions at 3:30 pm on May 27, 2009 and May 28, 2009. The Board agreed to conduct the public hearing for the proposed budget on June 15, 2009.

16. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Emergency Services – Budget restricted funds through United Way donation by citizen for EMS equipment/services \$72
- Health – Add additional one-time Title X funds to appropriate line item to purchase medical supplies and pay for contracted interpreter services and salaries \$14,879
- Senior Games – Budget funds for Senior Games donations account to cover silver Arts expenses for the Arts Program June 3-6, 2009 -\$2500
- Sheriff's Office – Recognize funds from Bulletproof Vest Partnership Grant and budget to appropriate account for use - \$1,075
- Social Services – Budget additional funds received from Piedmont Natural Gas to assist low income families with fuel bills - \$13
- Social Services – Budget Donations received for 1 Church 1 Child Program (\$556) and for food pantry in Income Maintenance (\$300)

Commissioner Barber moved, Commissioner Mitchell seconded and the vote to approve the budget amendments as presented passed unanimously.

17. CONSIDER APPROVAL OF BOARD APPOINTMENTS

ATWELL VOLUNTEER FIRE DEPARTMENT FIRE COMMISSIONERS

The Atwell Volunteer Fire Department requested the appointment of one (1) Fire Commissioner. The following applications have been submitted for consideration:

- Clement Bost- reappointment
- Steve Dabbs

The term would be for two (2) years beginning May 1, 2009 and expiring June 30, 2011.

Commissioner Barber nominated Clement Bost for reappointment. Commissioner Coltrain seconded and the nomination passed unanimously.

ROCKWELL RURAL VOLUNTEER FIRE DEPARTMENT FIRE COMMISSIONERS

The Rockwell Rural Volunteer Fire Department requested the appointment of three (3) Fire Commissioners. The following applications have been submitted for consideration:

- Bruce Sheeks
- Marlene Mills
- Robert Rummage
- Leebert Ketner (reappointment)
- Alfred Wilhelm (reappointment)-To approve Mr. Wilhelm the Board would need to waive the term limits in the Resolution passed by the Board in 1999.

The terms would be for two (2) years beginning May 1, 2009 and expiring April 30, 2011.

Commissioner Barber said Mr. Ketner had served over 10 years as a Fire Commissioner and Mr. Wilhelm had served over 26 years. Commissioner Barber wished to acknowledge them for their service to the fire department.

Commissioner Barber nominated Bruce Sheeks, Marlene Mills and Robert Rummage.

Commissioner Mitchell said he was reluctant not to appoint someone applying for reappointment. Commissioner Mitchell asked Commissioner Barber if he had spoken to Mr. Ketner to confirm it would be acceptable if he were not reappointed. Commissioner Barber said he had talked with the Fire Chief who indicated both individuals had said their feelings would not be hurt if they were not reappointed.

Upon being put to a vote, the nomination was seconded by Commissioner Coltrain and passed unanimously.

CITY OF SALISBURY ZONING BOARD OF ADJUSTMENT (ZBA)

The Salisbury City Council recommended the appointment of Sam Meredith and Frank Thomason to serve as ETJ representatives on the Salisbury ZBA. The terms would be for three (3) years expiring March 31, 2012.

Commissioner Mitchell nominated Sam Meredith and Frank Thomason. Commissioner Coltrain seconded and the nomination passed unanimously.

INDUSTRIAL FACILITIES AND POLLUTION CONTROL FINANCE AUTHORITY

Bill Wagoner and Mark Lewis' terms will end May 31, 2009 and both members do not wish to be reappointed at this time. The Board may wish to instruct the Clerk to the Board to advertise these vacancies.

Commissioner Mitchell moved to instruct the Clerk to advertise the vacancies. Commissioner Coltrain seconded and the motion passed unanimously.

LOCKE VOLUNTEER FIRE DEPARTMENT FIRE COMMISSIONERS

The Locke Volunteer Fire Department requested the appointment of one (1) Fire Commissioner. The following applications have been submitted for consideration:

- Robert "Bob" Himes (reappointment)
- David Eagle

The term would be for two (2) years beginning May 1, 2009 and expiring April 30, 2011.

Commissioner Barber moved to reappoint Bob Himes. Commissioner Barber said there would be another Fire Commissioner's position available in September for which David Eagle would most likely reapply for. Commissioner Coltrain seconded and the motion passed unanimously.

LIBRARY BOARD OF TRUSTEES

Fran Burding has submitted a letter of resignation from the Library Board of Trustees. Ms. Burding will continue to serve on the Library Board as an ex-officio member as the President of the Friends of the Rowan Public Library in accordance with the Library Board bylaws.

Commissioner Mitchell moved to accept the resignation of Fran Burding. Commissioner Coltrain seconded and the motion passed unanimously.

NURSING HOME ADVISORY COMMITTEE

Sandra Grant submitted an application for consideration to serve on the Nursing Home Advisory Committee. The term would be for one (1) year beginning May 1, 2009 and expiring April 30, 2010.

Commissioner Coltrain nominated Sandra Grant. Chairman Ford seconded and the nomination passed unanimously.

HISTORIC LANDMARKS COMMISSION (HLC)

Carl Peters was appointed to the HLC on February 4, 2008 for a two-year term expiring December 31, 2010. Since his appointment, Mr. Peters has missed eight (8) meetings with three (3) absences being consecutive. The HLC has requested the removal of Mr. Peters in accordance with the Historic Landmarks Ordinance and the Resolution adopted by the Board in 1999.

Commissioner Mitchell made a motion to remove Carl Peters. Commissioner Coltrain seconded and the motion passed unanimously.

18. ADJOURNMENT

There being no further business to come before the Board, Commissioner Coltrain moved to adjourn at 7:37 pm. The motion was seconded by Commissioner Barber and passed unanimously.

Respectfully Submitted,

Carolyn Athey
Clerk to the Board