

Regular Session, July 20, 2015, 7:00 p.m.
Catawba County Board of Commissioners

Appointments

Voting Delegate to the NCACC Annual Conference	563	7/20/15
Catawba County Tax Administrator/Assessor	563	7/20/15

Awards

Distinguished Public Service Award to Susan Lee, Parenting Network	560	7/20/15
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Budget Transfers

Budget Transfers	581	7/20/15
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County Manager's Office

2015 Community Development Block Grant (CDBG) Commerce Fellows Grant	574	7/20/15
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Economic Development Corporation

Economic Development Incentives for Carolina Nonwovens	564	7/20/15
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Ordinance

Zoning Amendment for Birdseye Renewable Energy	560	7/20/15
Catawba County's Project Budget Ordinance for the 2015 Urgent Repair Grant	572	7/20/15
Catawba County's Project Budget Ordinance for the 2015 Dept. of Commerce Fellows Program	574	7/20/15

Planning

Rezoning Request from Birdseye Renewable Energy	560	7/20/15
NC Housing Finance Agency 2015 Urgent Repair Program	572	7/20/15

Public Hearing

Rezoning Request from Birdseye Renewable Energy	560	7/20/15
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Resolution

Resolution Authorizing Economic Development Incentives for Carolina Nonwovens	564	7/20/15
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Sheriff's Office

Badge and Service Weapon to Retired Deputy Robert Pruette	560	7/20/15
Badge and Service Weapon to Retired Deputy Bob Riley	560	7/20/15

The Catawba County Board of Commissioners met in regular session on Monday, July 20, 2015, at 7:00 p.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Randy Isenhower, Vice-Chair Barbara G. Beatty and Commissioners Katherine W. Barnes, Sherry E. Butler and Dan A. Hunsucker.

Also present were County Manager J. Thomas Lundy, Assistant County Managers Dewey Harris and Mary Furtado, County Attorney Debra Bechtel, Assistant County Attorney Jodi Stewart and County Clerk Barbara Morris.

1. Chair Randy Isenhower called the meeting to order at 7:00 p.m. and noted a quorum was present.

2. Commissioner Sherry E. Butler led the Pledge of Allegiance to the Flag.
3. Commissioner Katherine W. Barnes offered the invocation.
4. Commissioner Katherine W. Barnes made a motion to approve the minutes from the Board's Regular Meeting of June 15, 2015 and Special Meeting of June 25, 2015. The motion carried unanimously.
5. Recognition of Special Guests: Chair Isenhower welcomed everyone present and thanked them for their interest in the business of the County. He welcomed Bill McBrayer who serves on the State Board of Community Colleges.
6. Public Comments for Items Not on the Agenda: None.
7. Presentations:
 - a. The Board honored Sheriff's Deputy Robert Pruette, who retired effective June 30, 2015, after 30 years with the Catawba County Sheriff's Office. Under North Carolina General Statute 20-187.2, upon a motion by Commissioner Butler, which carried unanimously, the Board declared as surplus the service weapon and badge of Deputy Pruette and Sheriff Coy Reid presented those items to him.
 - b. The Board honored Sheriff's Deputy Bob Riley, who retired effective June 30, 2015, after over 22 years with the Catawba County Sheriff's Office. Under North Carolina General Statute 20-187.2, upon a motion by Commissioner Dan Hunsucker, which carried unanimously, the Board declared as surplus the service weapon and badge of Deputy Riley and Sheriff Coy Reid presented those items to him.
 - c. The Board honored Ms. Susan Lee, retiring Director of the Catawba County Parenting Network, for her dedicated service to the parents and children of Catawba County since 1999.
8. Public Hearing:

Planner Chris Timberlake presented a request for the Board to hold a public hearing to receive citizen comments and consider approval of an application to rezone 45 acres from R-30 Residential to R-80-CD Conditional District, specifically for a solar farm. This application was made by Birdseye Renewable Energy LLC. The R-30 Residential district requires a minimum lot size of 30,000 square feet (0.68 acres per dwelling), and is considered a medium density "general use" district. Predominant uses in this district include single-family homes and agriculture. The R-80 Residential district requires a minimum lot size of 80,000 square feet (2 acres per dwelling) and is considered a low density "general use" district. Predominant uses in this district include single-family homes and agriculture in a more rural surrounding. Conditional district zoning is based on a "specific use" such as the solar farm that was proposed. It will be bound by a set of regulations specific to the request accompanied by a site plan. The base zoning district will now be R-80-CD.

The property is located at 2327 Mt. Olive Church Road in the Balls Creek Small Area Planning District, Newton Township. It was zoned R-30 Residential, developed with a residence, and also used for agricultural purposes. Birdseye Renewable Energy LLC will lease 45 acres located in the southern portion of the 119 acre tract to install and operate a solar facility. Parcels to the north, south and east are zoned R-30 Residential and contain single family homes, accessory structures and an operating fish lake. Several of these are vacant or used for agricultural purposes. Parcels to the west are zoned R-30 Residential and R-20 Residential, with some in the City of Newton's planning jurisdiction.

According to the site plan submitted, the tract (comprising 45 acres of lease area) will be developed according to the development standards found in Section 44-633 of the Catawba County Unified Development Ordinance (UDO) which applies to Utility-Scale Solar Applications.

The use does not require wastewater or potable water services. The solar facility will connect to the utility grid in the northeast portion of the property. Mt. Olive Church Road (State Road 1802) is designated as a minor arterial road in the Catawba County Thoroughfare Plan. This section of Mt. Olive Church Road is generally designed and constructed to carry between 12,000 and 15,000 vehicles per day. Traffic counts taken in 2013 along Mt. Olive Church Road, north and south of the site, measured 2,700 and 2,500 average trips per day, respectively. Development of the property will consist of temporary construction traffic and will not overburden the existing roadway or cause significant congestion issues during normal operations.

The Balls Creek Small Area Plan, adopted on June 16, 2003, serves as the current land use plan for this area. Future land use recommendations depict the property as being located in an area recommended for village/multi-family/office-institutional uses. The use and size of the land area associated with the request for a solar farm at this location is inconsistent with the uses and density recommendations of the plan. There are a considerable number of adjacent properties that are sizable tracts (5 plus acres) accommodating agricultural, residential development, and woodlands to the north, south, east and west.

Staff recommended the 45 acres to be leased by Birdseye Renewable Energy LLC be rezoned from R-30 Residential to R-80-CD Conditional District, subject to the conditions listed and illustrated on the conceptual site plan, based on the relatively low density pattern of the surrounding community consistent with density required in the R-80 district (80,000 square feet, 2 acres), combined with conditional zoning designating a solar farm as the exclusive use; the proposed development meeting the standards of Section 44-633 of the UDO as identified on the site plan; the topography of the site, existing vegetation, and additional vegetation to be planted would combine to offer minimal visibility of the site; and the UDO allowing for the consideration of solar farms as a permitted use in the R-80-CD Conditional District.

The Planning Board held a public hearing on June 29, 2015, to consider the request. One citizen spoke in favor of solar farms and asked that the applicant consider planting White Dutch Clover as a cover crop to assist the bee population. One board member expressed concern about the viewshed of the solar farm from the Claremont Road area during the winter months and shared that it is difficult to understand the possible impacts while deciduous trees are in the growing season. Representatives with Birdseye Renewable Energy gave a project overview. No one spoke in opposition to the request.

The Planning Board voted 8-1 to submit a favorable recommendation to the Board of Commissioners to rezone 45 acres from R-30 Residential to R-80-CD Conditional District subject to the conditions listed and illustrated on the conceptual site plan and based on the reasons stated above for staff recommendation as well as the recommended requirements that existing vegetation be left in place and not removed during or after the construction process, that the applicant obtain an Erosion and Sedimentation Control Permit, and that additional trees, with an increased maturity height, be planted in the southeastern portion of the property to further shield the solar farm from adjacent properties along Claremont Road.

After Mr. Timberlake answered questions from Board members to confirm that the trees planted for shielding would be maintained and watered, that the driveway would be gravel and then grass, the existing buffering contained both deciduous and evergreen trees, buffering requirements included an additional row of evergreens, and that a bond was required (this was the 3rd solar farm in the County with this requirement), Chair Isenhower opened the public hearing. Payton

Harris, a representative of the applicant, spoke in favor of the rezoning and clarified that investors would be involved in the solar farm and that security and fencing would be included. Birdseye would be leasing the land for 25 years with two five year options to follow that 25 years. He confirmed that timber mats would be used as a driveway to the site during construction and thereafter limited gravel would be used and the driveway would be seeded with self-sustaining grass. Mr. Tom Walker, who lives within a mile of the site, also spoke in favor of the zoning amendment but requested that clover be included in the seed mix for ground cover to support the County's bee population. Chair Isenhower closed the public hearing

Prior to approval, the Board amended the consistency statement and Zoning ordinance by adding a statement to the requirement for existing vegetation to be left in place and not removed during or after the construction process that 1/10th of an acre of vegetation could be removed for the building of a sedimentation pond, and added the requirement of planting clover as a cover crop to assist the bee population. Commissioner Butler made a motion to approve the rezoning with these changes and adopt the Ordinance and Consistency Statement shown below. The motion carried unanimously.

ZONING MAP AMENDMENT CONSISTENCY STATEMENT

On July 20, 2015 the Catawba County Board of Commissioners conducted a public hearing for the purpose of considering a zoning map amendment to a portion of PIN 3750-17-10-2870 (Case #RZ2015-04). The applicant is Birdseye Renewable Energy. The property owner is Burke Family Properties LTD.

Upon considering the matter, the Catawba County Planning Board finds the request to be inconsistent with future land use recommendations illustrated on Map 5 titled "Future Land Use Recommendations" of the Balls Creek Small Area Plan but, reasonable for rezoning based upon:

- 1) The relatively low density pattern of the surrounding neighborhood; consistent with density required in the R-80 district (80,000 square feet, 2 acres), combined with conditional zoning designating a solar farm as the exclusive use;
- 2) The proposed development meeting the standards of Section 44-633 of the Unified Development Ordinance (UDO) as identified on the site plan with modifications;
- 3) The topography of the site, existing mature vegetation, and additional vegetation to be planted combine to offer minimal visibility of the site;
- 4) The UDO allowing for the consideration of solar farms as a permitted use in the R-80-CD Conditional District;
- 5) Existing vegetation being left in place and not removed during or after the construction process, with the exception of 1/10 of an acre at the location of a sedimentation pond;
- 6) The applicant obtaining an Erosion and Sedimentation Control Permit;
- 7) Additional trees, with an increased maturity height, being planted in the southeastern portion of the property to further shield the solar farm from adjacent properties along Claremont Road; and
- 8) A seed mix which includes clover will be used for ground cover.

The Catawba County Board of Commissioners therefore recommends the zoning map amendment. This recommendation was affirmed by a vote of ____ - ____ of the Catawba County Board of Commissioners.

Presiding Officer

Ordinance No. 2015-_____

AMENDMENT TO THE CATAWBA COUNTY ZONING MAP

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described properties from R-30 Residential to R-80-CD Conditional District (RZ2015-04) for a solar farm.

A portion of one parcel totaling approximately 45 acres located at 2327 Mt. Olive Church Road in the Balls Creek Small Area Planning District, Newton Township, and further identified by Parcel Identification Number 3750-17-10-2870.

PLAN CONSISTENCY STATEMENT:

Pursuant to NCGS 153A-341, the Catawba County Board of Commissioners finds the request to be inconsistent with Map 5A titled "Future Land Use Recommendations" of the Balls Creek Small Area Plan depicting the property as being located in an area recommended for village/multi-family/office-institutional uses. The Board of Commissioners does however find the request reasonable for rezoning based upon:

- 9) The relatively low density pattern of the surrounding neighborhood; consistent with density required in the R-80 district (80,000 square feet, 2 acres), combined with conditional zoning designating a solar farm as the exclusive use;
- 10) The proposed development meeting the standards of Section 44-633 of the Unified Development Ordinance (UDO) as identified on the site plan with modifications;
- 11) The topography of the site, existing mature vegetation, and additional vegetation to be planted combine to offer minimal visibility of the site;
- 12) The UDO allowing for the consideration of solar farms as a permitted use in the R-80-CD Conditional District;
- 13) Existing vegetation being left in place and not removed during or after the construction process, with the exception of 1/10 of an acre at the location of a sedimentation pond;
- 14) The applicant obtaining an Erosion and Sedimentation Control Permit;
- 15) Additional trees, with an increased maturity height, being planted in the southeastern portion of the property to further shield the solar farm from adjacent properties along Claremont Road; and
- 16) A seed mix which includes clover will be used for ground cover.

This, the 20th day of July 2015.

C. Randall Isenhower, Chair

9. Appointments:

Chair Isenhower recommended the designation of Commissioner Kitty Barnes as the Voting Delegate to the upcoming North Carolina Association of County Commissioners (NCACC) Annual Conference. County Manager J. Thomas recommended the reappointment of Mark Logan for a fourth term as Catawba County Tax Administrator/Assessor. This term will expire June 30, 2017.

These recommendations came in the form of a motion, which carried unanimously.

10. Departmental Reports:

A. Economic Development Corporation.

Julie Pruett, Economic Development Corporation Director of Business Recruitment, presented a request for the Board to approve entering into an Economic Development Agreement between Carolina Nonwovens LLC and Catawba County. Carolina Nonwovens LLC intends to construct, up-fit and/or equip a new 100,000 square foot pre-cast concrete manufacturing facility at 1106 JW Abernathy Plant Road in Maiden. It plans to invest a minimum of \$13 million and create 62 new jobs over 3 years (35 job positions will move from Lincoln County). All jobs will meet 92% of the county average wage at \$33,978. 31 jobs will meet or exceed \$36,991. The State is requiring them to meet 90% of the county average wage.

Carolina Nonwovens considered multiple buildings and sites in Lincoln County and a site in Blacksburg, South Carolina to place this project. The site in Maiden has a graded pad with utilities in place and due diligence has been completed. Since there were few existing building options available to Carolina Nonwovens, they chose the Maiden site because a facility can be constructed on this specific site which will meet their aggressive timeline of beginning operations by the end of 2015. Carolina Nonwovens is growing and expanding due to a diversified basis for its products in markets such as automotive and appliances. Since 2012 it has acquired contracts with automotive suppliers and appliance companies causing a need to double its square footage capacity.

National Spinning Company, parent company of Carolina Nonwovens since 2012, was founded in 1921 and is currently an employee-owned manufacturer. Carolina Nonwovens develops and produces thermo-bonded nonwovens for acoustical insulation for the automotive and appliance industries, thermal and acoustical insulation for the building industry, and foam replacements for the institutional and juvenile bedding market. National Spinning Company operates two spinning facilities, one dyeing plant, one fiber-blending facility, one distribution center, the Carolina Nonwovens facility, and offices throughout North Carolina, New York and Central America. It sells yarn products worldwide and non-woven products domestically.

The incentive grant is based on a contract with obligations requiring satisfactory performance by the company and adhering to all North Carolina general statutes. The contract requires a minimum investment of \$13 million and the creation of 62 new jobs at the new facility. An incentive of 50% of new tax receipts will be paid to Carolina Nonwovens annually for 5 years after submitting proof of performance. This amount will be subject to the County's usual contractual commitments and will total a maximum of \$185,438 (prior to depreciation). Based on the current tax rate, payments will equal a maximum of \$35,938 in Year 1 and \$37,375 in Years 2-5.

As with all incentives provided by the County, these incentives will be based on an economic development agreement which requires Carolina Nonwovens to meet minimum thresholds of investment (\$13 million) and job creation (62) by 2017, which must be maintained for a minimum of three years following payment of the final incentive and the further requirement to not hire anyone 25 years of age or below without a minimum of a high school diploma. Clawbacks are included in the agreement requiring repayment should the investment and job creation amounts not be met or sustained.

Commissioner Hunsucker confirmed that waste material from the new stamping machine could be recycled. Commissioner Barnes made a motion to approve the economic development agreement, adopt the related resolution and authorize the Chair to execute needed documents. The motion carried unanimously. The following resolution and agreement apply:

Resolution Authorizing Economic Development Incentives for Carolina Nonwovens LLC

WHEREAS, Carolina Nonwovens expects to be a community-oriented company and intends to participate in philanthropy, community events and programs intended to increase the health and happiness of their employees and the greater community as a whole; and to consider participation in the Catawba EDC's corporate Committee of 100 501(c)(3) non-profit sponsorship; and

WHEREAS, Carolina Nonwovens is encouraged, to the reasonable extent possible, to purchase local services and supplies, such as, but not limited to, locally produced products, local hotel, motel and hospitality services, local building and construction services, and other products and services;

NOW, THEREFORE, in consideration of the promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

SECTION I – CAROLINA NONWOVENS

1. On or before July 31, 2015 Carolina Nonwovens shall:

1.1 Deliver to County a certificate confirming that Carolina Nonwovens has, or has caused to be acquired the real Property and the construction and installation of the Improvements will result in the creation, maintenance and availability of a minimum of 62 new jobs prior to December 31, 2017, and that the overall average weekly wage will equal or exceed 92% of the Average Weekly Wage, and, further, average of 31 jobs will meet or exceed 100% of the Average Weekly Wage, established for Catawba County by the North Carolina Department of Commerce's Wage Standards for each year that County pays Carolina Nonwovens the economic development incentive provided for herein. Carolina Nonwovens affirms understanding of, and agrees to comply with, the Calendar of Responsibilities as outlined in Exhibit "A". Such certificate shall be in the form or substantially in the form of the certificate attached to this Agreement as Exhibit "A".

1.2 Provide an Opinion of Counsel for Carolina Nonwovens, in form and substance reasonably satisfactory to County, that this Agreement has been duly authorized, executed and delivered by Carolina Nonwovens; and

1.3 Provide an Opinion of Counsel for Carolina Nonwovens, in form and substance reasonably satisfactory to County, stating that this Agreement is binding upon and enforceable against Carolina Nonwovens, in North Carolina, in accordance with its terms.

2. In order to induce County to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, Carolina Nonwovens represents and warrants that, as of the execution date hereof:

2.1 Carolina Nonwovens is a North Carolina limited liability company qualified to do business in the State of North Carolina, has a place of business within the State of North Carolina, and is in good standing and authorized to do business in the State of North Carolina;

2.2 Carolina Nonwovens has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted and has the corporate power and authority to execute and perform this Agreement;

2.3 The undersigned representative of Carolina Nonwovens has the right, authority and duty to execute this Agreement in the name and on behalf of Carolina Nonwovens;

2.4 This Agreement (i) is the valid and binding instrument and agreement of Carolina Nonwovens, enforceable against Carolina Nonwovens in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on Carolina Nonwovens, the charter documents or operating agreement of Carolina Nonwovens or any provision of any indenture, agreement or other instrument to which Carolina Nonwovens is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which Carolina Nonwovens is a party;

2.5 There is no suit, claim, action or litigation pending, or to the knowledge of Carolina Nonwovens threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein;

2.6 There is no impediment to the use of the Property for the purposes contemplated by this Agreement.

2.7 Carolina Nonwovens is not engaged in a business that would be exempt from property taxes.

3. In order to induce Carolina Nonwovens to enter into this Agreement and to appropriate and expend monies for payment of economic development incentives, County represents and warrants that, to the best of County's knowledge that, as of the execution date hereof:

3.1 County is a North Carolina body politic corporate in nature and existing under North Carolina law;

3.2 County has the power and authority to carry on its business as now being conducted and has the power and authority to execute and perform this Agreement;

3.3 The undersigned authorized representative of County has the right, authority and duty to execute this Agreement in the name and on behalf of County;

3.4 This Agreement (i) is the valid and binding instrument and agreement of County, enforceable against County in accordance with its terms; (ii) does not violate any order of any court or other agency of government binding on County, the charter documents of County or any provision of any indenture, agreement or other instrument to which County is a party; and (iii) does not conflict with, result in a breach of, or constitute an event of default, or an event which, with notice or lapse of time, or both, would constitute an event of default, under any indenture, agreement or other instrument to which County is a party; and

3.5 There is no suit, claim, action or litigation pending, or to the knowledge of County threatened, relating to the Improvements, the use of the Improvements for their intended purpose, or any other matter contained herein.

4. Carolina Nonwovens shall make or cause to be made investments to the Property and Improvements during the Improvement Period. Cumulative expenditures will meet or exceed Thirteen Million Dollars (\$13,000,000) by December 31, 2017, all of which will qualify and result in additional value for ad valorem tax purposes as determined by the Catawba County Tax Office, and Carolina Nonwovens further agrees to maintain in place, in good condition (ordinary wear and tear excepted), said Improvements for three years after the final incentive payment.

5. Carolina Nonwovens shall create a minimum of 62 new jobs at the Property in Maiden by December 31, 2017 and maintain or make available these jobs in place from December 17, 2015 until three years after the final incentive payment. A job is defined as employment that provides 1600 hours or more of work in any 12 month period.

SECTION II – COUNTY

6. On or before July 31, 2015 County shall deliver to Carolina Nonwovens an Opinion of Counsel for County, in form and substance reasonably satisfactory to Carolina Nonwovens, that this Agreement has been duly authorized, executed and delivered by County; and stating that this Agreement complies with the terms and requirements of NCGS 158-7.1(a) and is binding upon and enforceable against County with its terms; and evidence in the form of a Resolution or Resolutions, or official minutes, which County duly adopted authorizing the economic development incentives set forth in this Agreement.

7. Payment of economic development incentives for Real and Personal Investments and for Job Creation in accordance with this Agreement shall be made as follows:

a. County will provide annual payments equal to 50% of the ad valorem taxes associated with the additional value (exclusive of rolling stock) as paid to County for a five year period, commencing with the taxes payable for the tax values on January 1, 2016, and January 1 of the succeeding four years for investments made pursuant to paragraph 4 above with maximum payments as reflected in paragraph and in the chart below.

b. In no event will the cumulative payments by County exceed One Hundred Eighty-five Thousand Four Hundred Thirty-eight Dollars (\$185,438) for the five years.

Grant Year	Maximum Payment By County by Year
1	\$35,938
2	\$37,375
3	\$37,375
4	\$37,375
5	\$37,375
Total	\$185,438

c. Said amounts shall be payable annually, beginning in 2017 (Grant Year 1) and payable through 2021.

d. Upon payment of ad valorem taxes by Company to County for each of 2017 through 2021 and certification by Company in the form or substantially in the form of the certificate attached hereto as Exhibit B, of Improvements made and proof of payment of taxes and verification that Company has created and maintained jobs as agreed herein, County will, within sixty (60) days, pay to Company an economic development incentive payment, the amount of which is calculated by multiplying by .50 times the total ad valorem tax revenue received by County attributable to the value of the Improvements made by Company pursuant to this Agreement in excess of the assessed tax value on the site as of January 1, 2015. This same process will be followed by County and Company in each of the immediately following four (4) years.

e. Company shall furnish to County on or before March 5th of each calendar year, following and corresponding to the previous July 1st when taxes are billed, the certification

required by this Section 7 and proof of payment of all applicable taxes. If requested, Company shall provide County, at County's expense, independent certification as to such expenditures and number of existing jobs.

SECTION III - OTHER

8. Force Majeure. Notwithstanding the provisions of Paragraph 9, in the event Carolina Nonwovens is unable to meet the requirements of this agreement as a result of (i) an event of force majeure, including but not limited to fires, explosions, acts of God, acts of public enemy, insurrections, riots, terrorism, embargoes, labor disputes, including strikes, lockouts and job actions, or boycotts; (ii) the inability to obtain the governmental permits or approvals (including zoning) necessary for the acquisition of the land or undertaking and operating the Improvements after a good faith effort to obtain same has been made; (iii) shortages of materials or energy; (iv) changes in laws; or (v) other causes beyond the control of and arising without the fault or negligence of Carolina Nonwovens; then, in such event, the Improvement Period shall be extended for a period equal to the delay caused by any of the foregoing events so long as Carolina Nonwovens shall (a) have furnished County on a timely basis, upon the occurrence of such event, a notice thereof, and (b) take all commercially reasonable steps necessary to relieve the effect of such event and to resume completion of the Improvements. In accord with the foregoing, should the Carolina Nonwovens be unable to meet the requirements as described above as a result of a force majeure, the obligation of the County to pay as provided in Section II above, shall be suspended until such time as the Carolina Nonwovens is relieved from the effect of an event of force majeure and resumes completion of the Improvements.

9. It shall be an Event of Default if any one or more of the following events shall occur for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

- a. If Carolina Nonwovens, except in the event of force majeure, shall commit a material breach of a material obligation hereunder (including without limitation, the obligation to meet the investment goals and maintaining a minimum of (62) newly created jobs as set forth herein) and such breach shall continue for a period of sixty (60) or more days following receipt of written notice from County;
- b. If Carolina Nonwovens shall fail to qualify and/or maintain the requirements for eligibility and participation in agreements for State of North Carolina incentives applied for and awarded;
- c. If Carolina Nonwovens fails to timely file Exhibit A, or Exhibit B on or before March 5 of each year, following and corresponding to the previous July 1st when taxes are billed, and any qualifying incentive would be due to Carolina Nonwovens, this shall be deemed a breach of the Agreement and notwithstanding paragraph 10 below, the sole remedy will be that County will not owe Carolina Nonwovens any incentive that may have otherwise been due had those filings properly been made when due.
- d. If any material representation, warranty or other statement of fact contained in this Agreement or in any final writing, certificate, report or statement furnished by Carolina Nonwovens to County in connection with the transaction described in this Agreement, shall, to Carolina Nonwovens' knowledge, to be false or misleading in any material respect at the time given;

e. If Carolina Nonwovens shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator or conservator of themselves or of the whole or any substantial part of their property; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state;

f. If County, except in the event of force majeure, fails to pay Carolina Nonwovens when such payment is due or is otherwise unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of an emergency manager, receiver, trustee, liquidator or conservator or any similar entity; files a petition or answer seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or North Carolina;

g. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of Carolina Nonwovens or of the whole or any substantial part of their properties, or approves a petition filed against Carolina Nonwovens seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of Carolina Nonwovens or of the whole or any substantial part of their properties;

h. If a Court of competent jurisdiction shall enter an order, judgment, or decree appointing an emergency manager, custodian, receiver, trustee, liquidator, or conservator or any similar entity for County, or approves a petition filed against County seeking reorganization or arrangement of similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors, a court of competent jurisdiction shall assume custody or control of County; or

i. If Carolina Nonwovens shall allow its taxable assets, employment and average wage amounts to fall below the minimum values agreed upon in this Agreement, as each of the same pertain to the facility contemplated by this Agreement.

10. County Remedy: If Carolina Nonwovens fails to cure an Event of Default for which it receives written notice from County, the obligation of County as set out herein shall terminate, and Carolina Nonwovens shall immediately refund to County all economic development incentive payments paid to Carolina Nonwovens prior to the date of the Event of Default plus interest at the rate of prime plus one percent (1%). The date the prime interest rate shall be determined shall be the date the Carolina Nonwovens receives the notice of the Event of Default and prime will be the prime rate as published in the *Wall Street Journal (WSJ)*. Carolina Nonwovens shall, as it relates to an Event of Default, have sixty (60) days after receipt of the notice required above, to cure the Event of Default.

11. Carolina Nonwovens Remedy: If County fails to cure an Event of Default for which it receives written notice from Carolina Nonwovens, the obligations of Carolina Nonwovens as set out herein shall terminate. County shall, as it relates to an Event of Default, have sixty (60) days after receipt of the notice required above, to cure the Event of Default.

12. Carolina Nonwovens and County acknowledge that any monies appropriated and expended by County for economic development incentives, as provided in this Agreement, are for a bona fide public purpose and are expended in good faith reliance on NCGS 158-7.1. In the

event a Court of competent jurisdiction rules to which either Carolina Nonwovens or County is a party, that all monies expended by County pursuant to this Agreement were not offered and accepted in good faith and in compliance with NCGS 158-7.1 and, further, that such monies must be repaid, Carolina Nonwovens will make such repayment to County. In the event one or more lawsuits are brought against County or any County elected official, officer, agent or employee, or Carolina Nonwovens, challenging the legality of this Agreement, then County and Carolina Nonwovens shall exercise their best efforts to defend against any and all such lawsuits, at their own cost and expense. In any event, if Carolina Nonwovens is required to repay funds to County pursuant to this paragraph 12, the benefit of this Agreement to Carolina Nonwovens will have been lost and all further obligations of Carolina Nonwovens hereunder shall terminate.

13. All notices, certificates or other communications required or permitted to be given or served hereunder shall be deemed given or served in accordance with the provisions of this Agreement if the notice is (i) mailed in a sealed wrapper and is deposited in the United States mail, certified mail, return receipt requested, postage prepaid, or (ii) deposited with a national overnight courier service that retains receipts for its deliveries, properly addressed as follows:

County of Catawba: Catawba County
Attn: J. Thomas Lundy, County Manager
PO Box 389
Newton, NC, 28658

Copy to: County Attorney
Attn: Debra Bechtel, County Attorney
PO Box 389
Newton, NC, 28658

Carolina Nonwovens: Carolina Nonwovens LLC
Attn: Linda Fanton
PO Box 191
1481 W. Second Street
Washington, NC 27889

County or Carolina Nonwovens may, by notice given to the other, designate any further or different addresses to which notices, certificates, requests or other communications shall be sent.

14. This Agreement shall inure to the benefit of, and is binding upon, County and Carolina Nonwovens and their respective successors and assigns. However, neither this Agreement, nor any rights, privileges, nor claims created by this Agreement may be transferred by Carolina Nonwovens without the prior, written approval of County, which approval will not be unreasonably withheld.

15. Except as otherwise provided in this Agreement, this Agreement may not be amended, changed, modified or altered except by written agreement of the parties.

16. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions of this Agreement.

17. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such fully-executed counterpart.

18. Controlling Law and Venue. This Agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina; venue of any action shall be in the general courts of justice in Catawba County, or if in Federal court in the Western District of North Carolina.

19. The term of this Agreement shall commence on the date of execution and expire upon payment by County of all payments due to Carolina Nonwovens and Carolina Nonwovens fulfilling all of its requirements including real and personal property investments and the creation and maintenance of jobs, unless earlier terminated as provided herein.

20. Both Carolina Nonwovens and County acknowledge and stipulate that this Agreement is the product of mutual negotiation and bargaining and that it has been drafted by Counsel for both Carolina Nonwovens and County. As such, the doctrine of construction against the drafter shall have no application to this Agreement.

IN WITNESS WHEREOF the parties hereto have set their hands and seals as of the day and year first above written.

County of Catawba,
A North Carolina Body Politic
Attest:
(SEAL)

B. Planning and Parks.

Planning and Parks Director Jacky Eubanks requested the Board approve various documents associated with the Catawba County 2015 Urgent Repair Program Grant. The North Carolina Housing Finance Agency (NCHFA) awarded Catawba County a 2015 Urgent Repair Program Grant in the amount of \$50,000 in April 2015. The Program will assist approximately eleven low-income households by providing energy efficiency improvements and minor structural repairs. NCHFA allows up to \$800 a house for administration, work write-ups and inspections. The Western Piedmont Council of Governments (WPCOG) contract is for \$7,500, which averages out to about \$682 a house. The remaining \$42,500 will be used for rehabilitation for urgent needs such as leaking roofs, non-functional heating units, etc. The WPCOG will provide day-to-day management of the program, with administration oversight provided by the County Planning Department.

It was requested the Board approve an agreement between the WPCOG and the County for the provision of Grant Management Assistance – Urgent Repair Housing Program –August 3, 2015 – January 31, 2017, a Project budget ordinance in the amount of \$50,000 for rehabilitation and administration, and the 2015 NCHFA Urgent Repair Grant Assistance Policy and Procurement/Disbursement Policy for Catawba County's Urgent Repair Program. Commissioner Hunsucker made a motion to approve these Grant documents and the agreement with WPCOG. The motion carried unanimously. The following ordinance applies:

ORDINANCE#_____

**CATAWBA COUNTY'S PROJECT BUDGET ORDINANCE
FOR THE 2015 URGENT REPAIR GRANT**

Be it ordained by the County Commissioners of the Catawba County that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

Section 1. The project authorized is the North Carolina Housing Finance Agency Urgent Repair Grant described in the work statement contained in the Funding Agreement URP#_____ between this unit and the North Carolina Housing Finance Agency. This project is more familiarly known as the 2015 Catawba County Urgent Repair Program.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the North Carolina Housing Finance Agency, and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project.

Revenues

North Carolina Housing Finance Agency-URP

NCHFA-URP Grants Revenue	\$50,000
--------------------------	----------

Section 4. The following amounts are appropriated for the project:

Expenditures

North Carolina Housing Finance Agency-URP

Rehabilitation-URP	\$42,500
WPCOG/Administration	<u>\$ 7,500</u>
	\$50,000

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and federal and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this grant project in every budget submission made to this Board.

Section 9. Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this the 20th day of July, 2015.

C. The County Manager's Office.

ICMA Fellow Megan Dale presented a request for the Board to accept the 2015-2016 Community Development Block Grant (CDBG) Commerce Fellows Grant, which will provide professional development to city and county employees. On June 26, 2015, Catawba County was awarded a CDBG Commerce Fellows Grant from the North Carolina Department of Commerce in the amount of \$27,476.01 for professional development for city and County staff. The Department of Commerce increased the grant award from the initial \$25,000 to help Catawba County better recoup the costs associated with the training program.

The purpose of the Commerce Fellows program is to provide technical assistance, capacity building, and training focused on community development and on serving low and moderate income individuals to North Carolina local governments. The grant will cover course tuition, lodging, and travel expenses for five County staff and two city staff to attend in-person courses, as well as four webinar series available to other County and city employees.

Vice-Chair Beatty made a motion to approve a project budget ordinance in the amount of \$27,476.01, and an administrative contract with the Western Piedmont Council of Governments in the amount of \$2,500. The motion carried unanimously. The following applies:

ORDINANCE# _____

CATAWBA COUNTY'S PROJECT BUDGET ORDINANCE
FOR THE 2015 DEPARTMENT OF COMMERCE
COMMERCE FELLOWS PROGRAM

Be it ordained by the County Commissioners of Catawba County that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

Section 1. The project authorized is the State CDBG Program Commerce Fellows Program described in the work statement contained in the Grant Agreement (#02-D-2681) between this unit and the Department of Commerce. This project is more familiarly known as the 2015 Catawba County Commerce Fellows Grant.

Section 2. The officers of this unit are hereby directed to proceed with the grant project within the terms of the grant document(s), the rules and regulations of the Department of Commerce, and the budget contained herein.

Section 3. The following revenues are anticipated to be available to complete this project.

<u>Revenues</u>		
State Community Development Block Grant	\$	<u>27,476.01</u>
		27,476.01

Section 4. The following amounts are appropriated for the project:

<u>Expenditures</u>		
Planning (Training/Travel-County)	\$	24,976.01
Administration- (WPCOG)		<u>\$ 2,500.00</u>
	\$	27,476.01

Section 5. The Finance Officer is hereby directed to maintain within the Grant Project Fund sufficient specific detailed accounting records to provide the accounting to the grantor agency required by the grant agreement(s) and federal and state regulations.

Section 6. Funds may be advanced from the General Fund for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 7. The Finance Officer is directed to report quarterly on the financial status of each project element in Section 4 and on the total grant revenues received or claimed.

Section 8. The Budget Officer is directed to include a detailed analysis of past and future costs and revenues on this grant project in every budget submission made to this Board.

Section 9. Copies of this grant project ordinance shall be made available to the Budget Officer and the Finance Officer for direction in carrying out this project.

Adopted this the 20th day of July, 2015.

AGREEMENT BETWEEN THE
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS AND
CATAWBA COUNTY
FOR THE PROVISION OF
GRANT MANAGEMENT ASSISTANCE:
COMMUNITY FELLOWS TRAINING PROJECT

July 21, 2015 – JUNE 30, 2017

This AGREEMENT, entered into on this the _____ day of _____, _____, by and between the Western Piedmont Council of Governments (hereinafter referred to as the "Planning Agency") and Catawba County, North Carolina (hereinafter referred to as the "Local Government"); WITNESSETH THAT:

WHEREAS, the Planning Agency is empowered to provide technical assistance by the North Carolina General Statutes and by resolution passed by the Planning Agency on April 17, 1972. Technical assistance shall consist of the provision of services as described in Attachment A, which is herein made a part of this Contract;

WHEREAS, the Local Government has requested the Planning Agency to provide such technical assistance to the Local Government; and

WHEREAS, the Planning Agency desires to cooperate with the Local Government in every way possible to the end that the proposed activities are carried out in an efficient and professional manner;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Personnel.** That during the period of this Contract, the Planning Agency will furnish the necessary trained personnel to the Local Government.

2. **Travel/Printing.** The Local Government will pay for expenses related to conferences, conventions, seminars, local travel, etc. of the personnel when the Local Government requests or approves travel related to the Local Government's planning program, or if it is beneficial to both parties, the costs will be shared on an agreed-upon ratio.

The Local Government will also pay for expenses related to printing of report(s), mailings to advisory boards, and other costs not related to normal travel and staffing costs associated with personnel furnished by the Planning Agency.

3. **Compensation .**The Local Government will pay the Planning Agency an amount not to exceed \$2,500 (twenty-five hundred dollars) for the satisfactory performance of all services related to administration of the project as defined in the attached Scope of Services. Planning Agency personnel will keep an accurate record of time spent, which will serve as the basis for the amount charged to the Local Government per month. The Local Government will reimburse the Planning Agency monthly at a rate per hour for each of the personnel involved, which includes the salary, fringe benefits, travel and indirect costs, plus travel and other approved expenses. All other costs associated with the administration of the CDBG grant will be expended from the grant administration allowance budgeted for the Local Government.

It is expressly understood and agreed that total compensation shall not exceed the maximum sum specified without prior approval of both agencies.

4. **Termination/Modifications.** The Local Government may terminate this Contract by giving the Planning Agency a thirty-day written notice. Furthermore, if there is a need to amend the proposal outlined in Attachment A, either party may do so with the written approval of the other.

5. **Time of Performance.** The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning July 21, 2015 and ending June 30, 2017.

6. **Key Personnel.** The Planning Agency shall not substitute key personnel assigned to the performance of this contract without prior written approval by the County and the grantor agency, the North Carolina Department of Commerce. Individuals designated as key personnel for purposes of this contract are those specified in the Planning Agency's proposal.

7. **Subcontracting.** Work proposed to be performed under this contract by the Planning Agency or its employees shall not be subcontracted without prior written approval by the Agency's Contract Administrator and the grantor agency, the North Carolina Department of Commerce. Acceptance of an offeror's proposal shall include any subcontractor(s) specified therein.

8. **Interest of Members, Officers, or Employees of the Planning Agency, Members of the Local Government, or Other Public Officials.** No member, officer, or employee of the Planning Agency or its agents; no member of the governing body of the locality in which the program is situated; and no other public official of such locality or localities who exercise any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any financial interest, either direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement. Immediate family members of said members, officers, employees, and officials are similarly barred from having any financial interest in the program. The Planning Agency shall incorporate, or cause to be incorporated, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this section.

9. **Nondiscrimination Clause.** No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination with any program or activity funded in whole or in part with funds available under the Housing and Community Development Act of 1974, Section 109.

10. **Age Discrimination Act of 1975, as amended.** No qualified person shall on the basis of age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

11. **Section 504, Rehabilitation Act of 1973, as amended.** No qualified disabled person shall, on the basis of handicap be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from federal financial assistance.

12. **Access to Records and Record Retainage.** All official project records and documents must be maintained during the operation of this project and for a period of three years following closeout, in compliance with 15 NCAC 13L Rule .0911, Recordkeeping. The NC Department Commerce, US Department of Housing and Urban Development, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the Planning Agency which are pertinent to the execution of this Agreement, for the purpose of making audits, examinations, excerpts, and transcriptions in compliance with 15 NCAC 13L Rule .0911, Recordkeeping.

13. **Liquidated Damages Clause.** If the project fails to be carried out within the time frame outlined in the administrative proposal due to activities attributed to the Planning Agency, the Local Government may assess the Planning Agency a sum in the amount of \$100 per week for any subsequent weeks until completion.

14. **Termination of Agreement for Cause.** If, through any cause, the Planning Agency shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or violate any of the covenants, conditions, or stipulations of this Agreement, the Local Government shall thereupon have the right to terminate this Agreement by giving written notice of such termination and specifying the effective date thereof. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared under this Agreement shall, at the option of the Local Government, become its property, and the Planning Agency shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and other materials in direct proportion to the extent of services actually completed.

15. **Grantee Assurances.** In the performance of this Agreement, the Planning Agency shall comply with all applicable federal rules and procedures outlined on the attached pages as E.O. 11246 Clause, the Section 3 Clause and Lobbying Clause (Attachments B, C and D).

IN WITNESS WHEREOF, the Planning Agency and the Local Government have executed this Agreement as of the date first above written.

ATTACHMENT A

SCOPE OF SERVICES
CATAWBA COUNTY

GRANTS MANAGEMENT ASSISTANCE
WORK PROGRAM/BUDGET
JULY 21, 2015 – JUNE 30, 2017

The following work program and budget are presented as descriptive of the work and dollar amounts requested in the Agreement concerning planning activities by the Western Piedmont Council of Governments for Catawba County.

Laurie Powell, CD Administrator will be responsible for administering this project.

Work Program

Professional services necessary to administer all aspects of the project will include but not be limited to the following:

- Administration and coordination of all activities involved in the Catawba County Community Fellows Training CDBG Project. Coordination activities will begin from the point of grant approval through project closeout.
- Set up and maintenance of all community development project files and records in accordance with program and audit guidelines.
- Coordination of the community development program with federal, state and local officials.
- Preparation and submission of all quarterly and annual reports.
- Preparation and submission of all financial reports.
- Conducting project closeout and representing Catawba County at audits and monitoring visits. This does not assume, however, responsibility for payment of fees levied by auditors or accountants.

Catawba County will be responsible for the following:

- Adequate office space including utilities.
- Direct payment of CDBG funds for legal and audit services and general administrative costs.
- All administrative costs not specifically identified as WPCOG responsibilities.
Time of Performance

The WPCOG will complete all activities involved in administration of this project in a 23-month period beginning July 21, 2015 and ending June 30, 2017.

Budget

The WPCOG will provide these administrative services for a fee not to exceed \$2,500. The budget is broken down as follows:

Salaries	\$ 1,225
Fringe Benefits	631
Travel	67
Indirect	<u>577</u>
Total	\$ 2,500

Assurances

Assurances are attached as a part of the Agreement

Amendments

This scope of services and budget may be amended as desired by mutual consent of the Local Government and Planning Agency.

ASSURANCES OF COMPLIANCE

ATTACHMENT B

Executive Order 11246

During the performance of this Contract, the contractor agrees as follows:

- 1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to the following: recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.
- 2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin.
- 3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, notice advising the labor union or workers' representative of the contractor's commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 4) The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- 5) The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies involved as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

7) The contractor will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

ATTACHMENT C

Section 3 Clause

"Section 3" Compliance in the Provision of Training, Employment, and Business Opportunities

a. The work to be performed under this contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

b. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

c. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or workers representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment and training.

d. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice of knowledge that the latter has been found in violation of regulations under

24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the contract, shall be a condition of the federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors or assigns to those sanctions specified by the grant or loan agreement of contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

ATTACHMENT D

Lobbying Clause

No Federal appropriated funds have been paid or will be paid, by or on behalf of the Planning Agency or the Local Government, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative, agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid or will be paid any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Planning Agency and/or the Local Government shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

11. Other Items of Business:

Budget Transfers: Pursuant to Board authority granted to the County Manager, the following budget transfers have been completed:

Fiscal Year 2014/15

Special Contingency Transfer:

From:

110-190100-691500	Special Contingency Revenue	\$11,785
110-190100-994200	Special Contingency Expense	\$11,785

To:

110-190050-680200	7% ABC Profits	\$11,785
110-530900-861025	ABC Board Contract Expense	\$11,785

6/30/15 – The County received more ABC funds than allocated in the FY 14/15 budget to pay required 7% to Partners BHM. Transfer needed to recognize revenue

Fiscal Year 2015/16

Contingency Transfer:

From:

110-190100-994000	County Manager Contingency	\$35,000
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To:
110-420050-868216 EDC – Park 1764 \$35,000

7/24/15 – Transfer needed to cover the County’s share of Park 1764 development.

12. Attorney’s Report: None.
13. Manager’s Report: None.
14. Adjournment. Commissioner Hunsucker made a motion to adjourn at 8:04 p.m. The motion carried unanimously and the meeting adjourned.

Randy Isenhower, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk