

Regular Session, October 1, 2012, 9:30 a.m.
Catawba County Board of Commissioners

Appointments

Region E Development Corporation 634 10/01/12

Budget Transfers

Budget Transfers approved by County Manager 638 10/01/12

Economic Development Corporation

Incentives for Bed Bath and Beyond 636 10/01/12

Changes to Fee Waiver Program for demolition/rehabilitation of commercial/industrial buildings 637 10/01/12

Finance

Budget transfer to complete South Newton Elementary School Project 635 10/01/12

Resolution

Economic Incentives for Bed Bath and Beyond 636 10/01/12

Tax

Authority to grant extensions for listing personal property 634 10/01/12

The Catawba County Board of Commissioners met in regular session on Monday, October 1, 2012 at 9:30 a.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Chair Katherine W. Barnes, Vice-Chair Lynn M. Lail and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

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

1. Chair Katherine W. Barnes called the meeting to order 9:30 a.m. She noted that County Attorney Debra Bechtel was present on a phone line.
2. Vice-Chair Lynn M. Lail led the Pledge of Allegiance to the Flag.
3. Commissioner Randy Isenhower offered the invocation.
4. Commissioner Dan Hunsucker made a motion to approve the minutes of the Board's Regular Meeting and Special Joint Meeting of September 17, 2012. The motion carried unanimously.
5. Recognition of Special Guests: Chair Barnes welcomed all.
6. Public Comments for Items Not on the Agenda: None.
7. Appointments:
Vice-Chair Lail recommended the reappointed Scott Millar for a seventh term, and the appointment of Carol Allen and Jeff Neuville for first terms, on the Region E Development Corporation Board. These terms will expire on September 30, 2015. These appointments came in the form of a motion which carried unanimously.
8. Departmental Reports:
 1. Tax:
Tax Administrator Mark Logan presented a request for the Board to grant the County Tax Administrator authority, on an individual basis, to allow extensions for listing personal property. Extensions will not be granted beyond April 15, 2013. Businesses and corporations whose business year ends on December 31 of

each year, as well as some individuals, can have difficulty completing their listing abstracts by January 31 of each year. This is due to the fact that they are unable to calculate an inventory taken on December 31 and submit this figure to the Tax Administrator by the January 31 deadline. North Carolina General Statute 105-307 allows the Board to grant individual extensions of time for the listing of personal property, upon written request and for good cause shown. The request must be filed with the Tax Administrator no later than the ending date of the regular listing period. This means a letter must be written and postmarked no later than January 31, 2013, and this letter must provide the reason the extension is being requested. Extensions granted on an individual basis cannot extend beyond April 15, 2013. Commissioner Isenhower asked if this authority was customarily granted and was advised this was the case. Commissioner Hunsucker made a motion to grant this authority. The motion carried unanimously

2. Finance.

Finance Director Rodney Miller and Newton-Conover Schools Superintendent Barry Redmond presented a request that the County transfer \$800,000 from the recently completed Newton-Conover Middle School project and appropriated an additional \$790,580 to complete the South Newton Elementary School Project. In fiscal year 2011-12, the Board continued the practice of a new four-year funding cycle for school construction by pledging three cents of the property tax rate, along with lottery funds, to finance approximately \$69 million in school/community college improvements. Projects included in the first year of the funding cycle were improvements to Hickory High and Murray Elementary, both financed in the last fiscal year. Improvements to the Hickory Career Arts & Magnet (HCAM) School and the campus at Catawba Valley Community College (CVCC) were also included, though these two projects have not yet been financed.

In fiscal year 2012-13, plans include two new elementary schools: South Newton, estimated at \$10 million and Longview, estimated at \$11 million, as well as renovations to the old Newton-Conover Middle School and CVCC for \$1 million and \$2 million, respectively. These projects are expected to be financed along with the HCAM and CVCC improvements later this year.

Bids were received in September for the South Newton Elementary School Project, with a low bid of \$12,723,580, which included the base construction bid plus multiple alternates, design fees, furnishings and technology. The budget amount was derived assuming that one or more existing buildings, ranging in age from 1958 to 1993, were to remain on the site and an addition was to be added to the existing structure(s). However, after reviewing the plans with the architect, the Newton-Conover Board of Education determined the best option was to demolish the existing structures and build a new two-story building based on the 11-acre site, which is smaller than Department of Public Instruction property standards.

The project consists of 28 classrooms plus a media center and multipurpose room (gym, cafeteria, stage) with classroom capacity of 450 students and a core of 600. The facility is approximately 68,000 square feet, with a two-story classroom wing and is designed to obtain a Leadership in Energy and Environmental Design (LEED) Silver classification. After a review with County staff, it was determined that several options could be taken to reduce the low bid by using annual school capital funding and technology funds to pay for furnishings, technology and security equipment separately, pledging State sales tax refunds to the project and reducing some other items, resulting in a total project cost of \$11,590,580.

Commissioner Isenhower clarified that the original estimates included use of existing building that were found to be uneconomical to save. Chair Barnes questioned the use of terrazzo floors but Superintendent Redmond indicated their life justified the expense. Commissioner Isenhower made a motion to approve this transfer. The motion carried unanimously. The following budget revision applies:

Budget Revision:

423-740100-864200-33105-2-01	South Newton Elementary	\$1,590,580
423-740100-863200-31109-2-01	N-C Middle School	(\$800,000)
423-740050-690450	Proceeds From Financing	\$790,580

3. Economic Development Corporation:

A. Economic Development Corporation President Scott Millar presented a request for the Board to adopt a resolution authorizing economic development incentives for Bed, Bath and Beyond which is locating a disaster recovery facility/backup data center (later to become their primary data center) in Claremont's CenterPoint Shell Building (conditional on approval of an incentive agreement with the City of Claremont). Included in the purchase of the building is an additional 2.5 acres of graded property for future needs.

- New investment will equal or exceed \$36,800,000 and could reach or exceed \$41,800,000 with \$12,300,000 being spent on real property improvements and the remainder on personal property;
- 7 new jobs will be created by the end of 2018 paying substantially above Catawba County average wages.

Bed, Bath and Beyond began their search in June 2011 for existing buildings in five states, narrowing the focus to the CenterPoint Building in Claremont and a building in Alamance County. Founded in 1971 and headquartered in New Jersey, Bed, Bath and Beyond is a Fortune 500 company traded on the NASDAQ and has over 1,000 retail stores in the United States, Canada and Mexico. The company is on the S&P500 and Global 1200 Indices and the NASDAQ-100 Index.

The proposed incentives from Claremont are: 50% of the new assessed ad valorem tax value on real property investment for 10 years (total maximum grant \$197,950 or \$19,795/year) and 60% of new assessed ad valorem tax value on personal property for 10 years (total maximum grant \$246,123 with maximum annual payments as follows: \$17,388 in year 1; \$27,186 in year 2; \$31,188 in year 3; \$26,427 in year 4; \$30,429 in year 5; and \$22,701 in years 6 through 10). In no event will the cumulative real and person grant payment exceed \$444,073. As discussed in February, Claremont has also agreed to allocate an additional amount from electrical gross receipts income to specific business park and site development; for example, rebranding of Phase I and II of the park and investment in making Phase II shovel ready.

The proposed Catawba County incentives are: 50% of the new assessed ad valorem tax value on real property investment for 10 years, total maximum grant \$228,070 or \$22,807/year, and 60% of new assessed ad valorem tax value on personal property for 10 years, maximum grant \$283,580 with maximum annual payments as follows (\$20,034 year 1; \$31,323 year 2; \$35,934 year 3; \$30,449 year 4; \$35,060 year 5; and \$26,156 years 6 through 10). In no event will the cumulative real and business personal grant payment exceed \$511,650. There is a requirement to not hire anyone without a minimum of a high school diploma for anyone 25 years of age and below and that the total average wage of the jobs will be above the average wage in Catawba County, as determined annually by the North Carolina Department of Commerce. The Company further agrees that such investment and jobs will be maintained at these minimum levels through December 31, 2021.

Chair Barnes pointed out that while the incentives were for 50% of the taxes, the County still gained as they would be receiving the other 50% and without the incentive agreement and Bed Bath and Beyond locating the data center in the County, the County would receive nothing. Vice-Chair Lail made a motion to adopt the resolution. The motion carried unanimously. The following resolution applies:

Resolution No. 2012-_____

Catawba County
Resolution Authorizing Economic Development Incentives for Bed Bath and Beyond

WHEREAS, Bed Bath and Beyond (herein referred to as "the Company") has requested incentives to cause a minimum investment of \$36,800,000 no later than December 31, 2018 in the City of Claremont with possible investments that could equal or exceed \$41,800,000, and to cause the creation of a minimum of 7 jobs by December 31, 2018, with a requirement to not hire anyone without a minimum of a high school diploma for anyone 25 years of age or below, and that the total average wage of the jobs will be above the

average wage in Catawba County as determined annually by the North Carolina Department of Commerce. Company further agrees that such investment and jobs will be maintained at these minimum levels through December 31, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of Catawba County, North Carolina, as follows:

The Board of Commissioners approves a performance based grant equal to net new taxes received on real estate equaling 50% for 10 years, and an additional performance based grant equal to net new taxes received on personal property equaling 60% for 10 years, with both incentives when combined no greater than \$511,650. These incentives will be based on achieving the minimum investment of \$36,800,000 and 7 new jobs by December 31, 2018, with a maximum payment of \$20,034 year 1, \$31,323 year 2, \$35,934 year 3, \$30,449 year 4, \$35,060 year 5, and \$26,156 per year for each of years 6-10. This grant will be used to reimburse the Company's expenditures as eligible under North Carolina General Statute 158-7.1. The Board of Commissioners also directs the County to execute a contract and any necessary resolutions or addenda between the Company and the County under these terms and conditions and authorizes the Chair to execute these documents.

This the 1st day of October, 2012.

b. Economic Development Corporation President Scott Millar presented a request to revise a program approved by the Board on June 18, 2012, under which the County will waive for one year certain landfill fees and erosion control permit fees to encourage development of pre-graded sites, demolition and removal of dilapidated buildings, and rehabilitation of historic buildings in order to promote economic development. The Catawba County Economic Development Corporation (EDC) reported the fee program has had limited appeal due to two primary factors: 1) the program as written limits the availability of the program to future industrial uses only, and 2) the requirements limit the opportunities for small parcel development. The approved changes attempt to broaden the allowable scope of the program in order to consider these limitations.

This program's purpose is to eradicate dilapidated and vacant industrial buildings (exclusively) to clear property for redevelopment, encourage the development of recognized historic structures for adaptive reuse, and initiate the creation of pre-graded industrial sites. Coordinated with and included in marketing by the EDC, this program is designed to promote economic development throughout Catawba County by providing incentives to attract business development. Fees will be waived for solid waste to include all State-permitted waste streams accepted at the Blackburn Landfill, such as land clearing debris, municipal solid waste and construction and demolition debris, and for erosion control and demolition permits, oversight, and inspections. This waiver program is subject to cancellation at any time and will expire no later than June 30, 2013. The program will be monitored on a monthly basis, with reporting to the Board no less than quarterly. The changes to the program guidelines are as follows:

Under Demolition/Rehab Program

"Projects must be situated in a location reasonably suited for future development as determined by Catawba County EDC." This would remove the word "industrial" from the previous sentence.

"Projects must meet all requirements to be listed on North Carolina Department of Commerce (NCDOC) site/building database; a minimum size of 2 acres (may be combined with adjacent properties if all properties meet NCDOC site data sheet requirements); and have either a specific sales or lease price. Should the owner be redeveloping the site, the requirements will be waived with a minimum committed investment of \$1 million in new construction." This would add the word "minimum" to the last sentence.

Under Pre-Graded Sites (In addition to the requirements for the Demolition/Rehab Program)

"Must be a minimum of 2.0 acres (less acreage may be considered with a committed investment of \$1 million in new construction)." This would change the minimum acreage from 5 to 2 acres if approved.

Commissioner Hunsucker made a motion to approve the changes to the program. The motion carried unanimously.

- 9. Other Items of Business: None
- 10. Attorney's Report: None.
- 11. Manager's Report: None.
- 12. Budget Transfers:
Budget Transfers: Pursuant to Board authority granted to the County Manager, the following budget transfers have been completed:

Contingency

110-190100-994000	Contingency	\$46,000
110-440104-857900	Maintenance – Other Contracted Services	\$46,000

10/2/12 – Transfer of contingency – Funding needed to conduct an energy audit of county buildings.

Special Contingency Transfer

From:

115-150120-994200	Special Contingency Expense	\$4,404
115-150120-691500	Special Contingency Revenue	\$4,404

To:

115-150120-995110	Transfer to General Fund	\$4,404
115-150120-690100	Fund Balance	\$4,404

Special Contingency Revision

110-280100-842530	Communication Center - Repairs & Maintenance	\$4,404
110-280100-695115	Communications Center – From Self Insurance Fund	\$4,404

9/28/12 – Transfer of special contingency – In Fiscal Year 2007/08, Special Contingency was created in the Self Insurance Fund to allow the transfer of insurance reimbursements back to originating departments. This transfer moves \$4,404 from reimbursed insurance for property stolen at the Anderson Mountain Tower on 7/23/12 to the Communications Center budget to replace the equipment.

- 13. Adjournment. Commissioner Beatty made a motion to adjourn at 10:07 a.m. The motion carried unanimously.

Katherine W. Barnes, Chair
Catawba County Board of Commissioners

Barbara E. Morris
County Clerk