

Unsealed by Board of Commissioners 4/10/2018.

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
December 14, 2015 – SEALED CLOSED SESSION

CLOSED SESSION #1

Pursuant to NCGS 143-318.11 (a) (4) to discuss matters relating to the location or expansion of a business in the area served by this body, closed session was entered into at 9:20 p.m. Commissioners held the closed session meeting in the Arthur C. Wilson, Jr. Conference Room.

Present for the first closed session were Chairman Hawkins, Commissioners Chapman, Chappell, Lemel and Phillips, County Manager Jaime Laughter, County Attorney Tony Dalton, Transylvania Economic Alliance Executive Director Josh Hallingse, Planning and Community Development Director Mark Burrows, Community Development/Special Projects Director with the City of Brevard Josh Freeman, Associate Director of the Development Finance Initiative with the UNC School of Government Christy Raulli, Project Manager for the Development Finance Initiative with the UNC School of Government Tanner Dudley and Clerk to the Board Trisha Hogan.

Transylvania County was invited by the Golden LEAF Foundation to submit an application for a community based grant initiative totaling \$1.5 million. The identified project focused on education and economic development activities. Product development is a huge component of the project. A local company, SylvanSport, has approached the County about a need for a facility. The City of Brevard has a 6.4 acre tract on Ecusta Road and City Council has expressed they would prefer the property be used for an economic development purpose. The purpose of the Board of Commissioners, School of Government staff and other stakeholders being involved in this discussion is to determine how much funding would be required in addition to Golden LEAF funds and where those funds might come from.

SylvanSport has 13 months remaining on their current facility lease and they have no other building prospects in which to relocate their growing operation in Transylvania County. Staff felt strongly about the need to support this business in order for them to remain in the County and wanted to explore the idea of a shell building concept for them. Staff from the UNC School of School, Development Finance Initiative developed a pro forma that offered public and public-private partnership scenarios as economic development incentives. The Golden LEAF proposal would also provide space to expand the presence of Patton Electronics in Transylvania County which is currently one employee.

The current assessed value of the City-owned property is \$1 million. Some environmental remediation is likely, but there are no major issues with the property. The pro forma included two building/construction scenarios. Option A involved a 35,000 sq. ft. facility with expansion capabilities onsite. This figure comes from the space needs expressed by SylvanSport. Option B involved a 50,000 sq. ft. building as required for the Golden LEAF proposal. It was noted that construction of a building does not have to be complete prior to receipt of the grant.

School of Government staffs provided Commissioners with general development assumptions and cost figures on building construction, site acquisition and leasing options for Options A and B for both public and public-private partnership scenarios. It was noted there could be Community Development Block Grant opportunities, but this was not factored into the scenarios. Site maintenance, parking, lighting, etc. were factored into the costs, but utilities were not considered.

The building would accommodate SylvanSport and other tenants in order to meet the requirements of the Golden LEAF project submittal. However, regardless of whether or not the County is awarded the

Golden LEAF grant, SylvanSport has a square footage deficit and the County does not have a solution for them, while other counties do. It is important for SylvanSport to remain in Transylvania County and for those jobs to remain here as well. The County needs a building it can market to SylvanSport.

The Golden LEAF application deadline is January 26, 2016. A site visit should commence soon after the application submittal. It was noted that Golden LEAF will want to see there is a commitment on behalf of the County, City and our economic development partners for supporting existing businesses and their expansion efforts and the education component and how they are integrated into a community based effort. Therefore the School of Government's assistance was important in providing some achievable scenarios the County can move forward with regardless of the County receiving the Golden LEAF grant funds. It was noted that the City of Brevard is committed to this effort.

Staff will keep the Board of Commissioners and the participants in this meeting apprised of the work moving forward and the Golden LEAF grant status. In the meantime, the following requests were made to aid in future discussions:

1. Requested School of Government staffs include a cash option in the scenarios
2. Future consideration for including buy back option per new job created
3. City of Brevard to provide more detail to ensure no hidden site development costs and confirm current zoning level and plan for rezoning if necessary
4. Explore possibilities of leveraging private dollars for partnership opportunities

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board