

MINUTES
TRANSYLVANIA COUNTY BOARD COMMISSIONERS
July 10, 2018 – CLOSED SESSION

Pursuant to NC General Statute 143-318.11 (a) (4) to discuss matters relating to the location or expansion of industries or other businesses in the area served by the public body, and (a) (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, options, exchange or lease, closed session was entered into at 10:25 a.m.

Present in the first and second closed sessions were Chairman Chapman, Commissioners Chappell, Hawkins, Lemel and Phillips, County Manager Jaime Laugher, County Attorney Misti Bass, Transylvania Economic Alliance Executive Director Josh Hallingse, Transylvania Economic Alliance Board of Directors Chair Jeremy Owen and member Mark Tooley, and Clerk to the Board Trisha Hogan.

Closed Session #1 – Project Mushroom (This portion unsealed by the Board of Commissioners on 02/12/2024)

Project Mushroom is an existing natural products company. The company approached the Alliance eight months ago to discuss expansion opportunities because they were outgrowing their existing space. The company currently leases space in two counties. Their intent was to consolidate all operations into one plant which required property of at least 140,000 -150,000 sq. ft. to include expansion capabilities. However, only one property in Transylvania County can currently accommodate the amount of square footage they need, that being the former Ecusta/Davidson River Village property, but there remain concerns about the environmental issues given the past history of the property.

Because of the lack of product, the company is considering a 20-acre site in Henderson County to accommodate a building with square footage ranging from 140,000-250,000 sq. ft. They do not intend to abandon their headquarters location in Transylvania County, but they are under pressure because they have outgrown their current facility.

The company plans to grow and invest \$12 million and increase production. The company intends to add 25 employees over a five-year period; however, the net footprint is that 50 employees will migrate to Henderson County, so the employee gain is not a net positive. To accommodate any further growth at their Transylvania County plant, they need access to a sewer system because their current septic system is limited. The Alliance has been working with the company to determine options for connecting to a sewer system. The company is located about three miles away from the nearest system and it would cost approximately \$1.7 million to extend the lines and connect to it. The Alliance is working to access grant funds which will require a local match of 25%, or approximately \$450,000.

The company being forced to invest in another county is one of the reasons the Alliance has been focusing on diversifying sites and buildings in Transylvania County. The Duke Energy Site Readiness Program added the former Ecusta/Davidson River Village property as a viable property, but noted it has a narrow market because of its historical past of being a super fund site and thus the liabilities that come with such a site.

Commissioners agreed to provide the matching funds for the grant, if awarded. The Manager informed Commissioners this item will be placed on the next agenda for consideration in the form of a draft grant application with Commissioners' commitment to fund the match. If awarded, the matching dollars would come from the funds set aside from the FY 16 tax increase.

Closed Session #2 - Brevard College/Old Airport Property (This portion unsealed by Board of Commissioners on 01/13/2020)

The discussion about lack of product led the Alliance to reintroduce previous discussions about the old Airport property owned by Brevard College. The Alliance felt it was important to have an opportunity to complete due diligence of the property and that it would be beneficial to both the County and City of Brevard. It is a top priority for the Alliance Board of Directors because currently there is limited property for job creation opportunities. This is evident in the fact that Project Mushroom is relocating part of its business and making major investments in another county. This project could provide opportunities to ensure this does not happen again. The Alliance requested Commissioners allow them to get the property under contract for a 90-day period, with no dollars down, and bring back a recommendation to the Board on how the property can be used. The 90-day period will give the Alliance time to reengage the City, determine potential uses of the property, establish an appropriate value, explore conservation uses, and bring back a project with specific details for the Board to consider. If it is determined such a project is not doable, then the County and Alliance can walk away with confidence that they did their best to make it work.

Commissioner Lemel asked if there was any indication that the City would consider moving the ballfields. Mr. Hallingse replied no, but he intended to bring forth this option to them. He added that the City remains strong in their belief that Davidson River Village will be developed, but said they need to understand it should not be the only option. He noted Davidson River Village is not zoned for industrial use.

Pointing out that Brevard College has rejected all of the County's offers to date, Commissioner Chappell stated at some point the County needs to cease negotiations. Furthermore, Brevard College continues to indicate they have another interested buyer and they have not been forthcoming with any other information. Additionally, the City does not seem interested in working with the County either.

The Manager informed the Commissioners that Brevard College has not yet notified the City that their offer was denied as was previously reported to the Board. She asked the Board to be cautious and move forward only with a price they are actually willing to pay.

Chairman Chapman stated he was not willing to make an offer much higher than the current offer on the table. Commissioner Hawkins noted the current offer is inappropriate because it was made only on a portion of the property. Brevard College is now offering the entire property for sale as one parcel, not as multiple parcels.

Mr. Owen felt there had been enough work done so far to complete due diligence but stated that due diligence also needed to be conducted on the County's property. The County property consists of 30 acres and could accommodate three to four industrial sites. In addition, he pointed out the Alliance has requested another appraisal of the Brevard College property. Mr. Tooley revealed there are also opportunities for conservation easements on the Brevard College property. An assessment of the property indicates 16 acres qualify for conservation tax credits totaling approximately \$250,000.

Commissioner Lemel felt that gaining ownership of the old Airport property was pivotal for parks and recreation purposes and job creation. In looking forward at the positive impact it could have on this County over the next 40 years, she felt a higher offer was justified and should be supported if it secured the property. In addition, the property is located within City limits, has access to utilities, and is within close proximity to schools. Commissioner Lemel pointed out if the public were aware of the County's efforts, it could open up amazing opportunities to fundraise.

Chairman Chapman stated at this point he would support moving forward with tying up the property for 90 days only because there is an opportunity to walk away. He stated he was not optimistic the City would be willing to relocate the ballfields. He agreed with Commissioner Chappell that at some point negotiations must cease if Brevard College is not willing to accept the County's offer; however, he would hate to lose out on an opportunity without seeing what the possibilities are for the property, pointing out having river access is a plus. He was supportive of an offer of \$450,000.

Mr. Hallingse reported the last offer made to Brevard College was \$385,000.

Commissioner Hawkins emphasized that Commissioners intend to rely on Mr. Owen and the Alliance for the appropriate pricing of the property. Mr. Owen stated the appraisal will be a valuable tool, as well as determining what is needed to make the property work. He believed the appraisal performed for Brevard College was too high because there was too much value placed on the existing structure located on the property. With that said, he thought it was still worthwhile moving forward with an offer of \$450,000 in order to complete due diligence. Once under contract and due diligence is complete, the Alliance and County will have better leverage to negotiate.

Commissioner Hawkins felt the County had no other options at this point. He also felt strongly that the County should be working with the Alliance to determine how to extend utilities to other properties. He stated if the County is able to make the Brevard College site work, then it is worth the \$450,000 purchase price; otherwise, the County can walk away following the due diligence phase.

Mr. Hallingse emphasized this is the most viable option the Alliance has been able to identify. Mr. Owen added that no money will be spent on purchasing the property, only on completing the due diligence work.

Commissioners, by consensus, directed staff and the Alliance to move forward with tying up the property under contract for a 90-day period at an offer of \$450,000 in order to complete the necessary due diligence. Commissioners were not unanimous.

Chairman Chapman moved to leave closed session, seconded by Commissioner Phillips and unanimously carried.

Larry L. Chapman, Chairman
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board