

**MINUTES**  
**LINCOLN COUNTY BOARD OF COMMISSIONERS**  
**MONDAY, OCTOBER 6, 2014**

The Lincoln County Board of County Commissioners met October 6, 2014 at the Citizens Center, Commissioners' Room, 115 West Main Street, Lincolnton, North Carolina, at 6:30 P.M.

**Commissioners Present:**

Alex E. Patton, Chairman  
Carl E. Robinson, Jr., Vice Chair  
James A. Klein  
Carrol D. Mitchem  
Cecelia A. Martin

**Others Present:**

Tracy Jackson, County Manager  
Martha W. Lide, Assistant County Manager  
Wesley L. Deaton, County Attorney  
Amy S. Atkins, Clerk to the Board

**Call to Order:** Chairman Patton called the October 6, 2014 meeting of the Lincoln County Board of Commissioners to order. Commissioner Robinson gave the Invocation and led in the Pledge of Allegiance.

**Adoption of Agenda:** Chairman Patton presented the agenda for the Board's approval.

**AGENDA**  
**Lincoln County Board of Commissioners Meeting**  
**Monday, October 6, 2014**  
**6:30 PM**

**James W. Warren Citizens Center**  
**115 West Main Street**  
**Lincolnton, North Carolina**

Call to Order

Invocation - Chairman Patton

Pledge of Allegiance

1. Adoption of Agenda
2. Consent Agenda
  - Tax Requests for Releases - Over \$100
    - August 16 - September 15, 2014
  - CDBG Status Updates
  - Surplus Property
  - 2014 Resident's Rights Week Proclamation
  - Budget Amendment 15CPOAYERO
  - Lincoln County Jail Health Plan
3. Zoning Public Hearings - Randy Hawkins

ZMA #610 M & L Enterprises, LLC, applicant (Parcel ID# 01708) A request to rezone 3.9 acres from R-T (Transitional Residential) and R-SF (Residential Single-Family) to I-G (General Industrial). The property is located at 1774 S. Industrial Park Rd., on the west side of South Industrial Park Road about 3,000 feet south of Salem Church Road, in Ironton Township.

CZ #2014-3 LandMark Self Storage, applicant (Parcel ID# 82515) A request to rezone 1.2 acres from B-N (Neighborhood Business) to CZ B-G (Conditional Zoning General Business) to permit the expansion of a self-storage facility. The property is located about 250 feet west of N.C. 150 just south of Quinlan Lane in Ironton Township.

PCUR #163 Francis and Linda Ford, applicants (Parcel ID# 55515) A request for a parallel conditional use rezoning of 6.3 acres from R-SF (Residential Single-Family) to CU R-R (Conditional Use Rural Residential) to permit the placement of a Class B (doublewide) manufactured home. The property is located at 5683 NC 182 Hwy., on the south side of N.C. 182 about 2,000 feet east of N.C. 274, in North Brook Township.

4. Public Comments (15 minutes allowed per Rules of Procedure – 3 minutes per person)
5. Public Hearing and Motion to approve the Sole Source Purchase of 4 LP15 defibrillators from Physio Control in the amount of \$115,843.20 - Ron Rombs
6. Public Hearing and Motion to Approve the FY 15 Rural Operating Assistance Program in the amount of \$167,320 - Ron Rombs
7. Motion to Approve the HGAC Coop Contract purchase of 3 ambulance remounts from Northwestern Emergency Vehicle in the amount of \$268,533 (\$89,511 each) and allow for trade in of 2007 Type II ambulance - Ron Rombs
8. Schedule of Values Discussion
9. ~~Motion to Approve Communities in Schools Lease for Oaklawn School and Construction Award - Randy Williams and Martha Lide~~
10. Airport Hangar and Business Park Presentation - Martha Lide
11. Wellness Update - Martha Lide

12. Borghetti Revised Ground Lease - Martha Lide
13. Other Business

Adjourn

**UPON MOTION** by Commissioner Robinson, the Board voted unanimously to adopt the agenda with Item 9 removed.

**Consent Agenda:** **UPON MOTION** by Commissioner Martin, the Board voted unanimously to approve the Consent Agenda as presented.

- Tax Requests for Releases - Over \$100
  - August 16 - September 15, 2014
- CDBG Status Updates
- Surplus Property
- 2014 Resident's Rights Week Proclamation
- Budget Amendment 15CPOAYERO
- Lincoln County Jail Health Plan

\*Items listed in the Consent Agenda are on file in the office of the Clerk to the Board and are hereby made a part of these minutes as though fully set forth herein.\*

The Board presented Martha Lide with a clock, recognizing her for her service to Lincoln County as Assistant County Manager.

**Zoning Public Hearings** - Randy Hawkins presented the following:

**ZMA #610 M & L Enterprises, LLC, applicant** (Parcel ID# 01708)

The applicant is requesting the rezoning of 3.9 acres from R-T (Transitional Residential) and R-SF (Residential Single-Family) to I-G (General Industrial). This property is the site of a legal nonconforming (grandfathered) manufacturing facility. The requested rezoning would permit the facility to be enlarged. (Under the Unified Development Ordinance, a nonconforming use cannot be expanded.)

This property is located at 1774 S. Industrial Park Rd., on the west side of South Industrial Park Road about 3,000 feet south of Salem Church Road, in Ironton Township. It is adjoined by property zoned R-T, R-SF and I-G. Land uses in this area include residential and commercial. This property is part of an area designated by the Lincoln County Land Use Plan as industrial.

#### **Permitted uses**

Under current zoning: continuation of current use, single-family homes, duplexes,

church. Under requested zoning: expansion of current use, other manufacturing uses, warehousing, offices, vehicle service, vehicle repair, self-storage facility, etc.

#### **Adjoining zoning and uses**

East (opposite side of South Industrial Park Road): zoned R-T, residential uses.

South: zoned R-T, undeveloped tract.

West: zoned R-SF, undeveloped tract.

North: zoned R-SF, undeveloped tract.

Chairman Patton opened the public hearing concerning ZMA #610 M&L Enterprises, LLC, applicant.

Michael Williams, applicant, 1544 Bishop Drive, stated that the reason they are making the request is that they want to add onto the business already there. He said they would like to add about 8,000 square feet to the building, which is currently about 32,000 square feet. He said they are a manufacturer of industrial filtration, primarily for industrial oil floated rotary screw air compressors and deal with people like Ingersol Rand. He said business is good, they just need space to improve productivity.

Lorie Williams, applicant, said she is here to answer questions.

Hazel Hamrick said the end of Industrial Road runs into Atlantic Lane and Baldwin Avenue, which are not state maintained roads. She said the homeowner's association have to keep the property and roads up. She voiced concerns about trucks and other traffic from this business using their private roads as a turn around and water run off from the business.

Lorraine Fortkort, 116 Labans Lane, said she has property on Timberlake Lane, adjoining the property up for rezoning. She asked if this will be a noisy operation or if it will affect the quality of life there.

Julia Eurey, 1491 Timberlake Lane, said the area is a sanctuary and the properties there are between 1 and 2 acres in a very quiet setting. She said she was concerned about the noise in their neighborhood.

Michael Williams pointed out on the map where the addition to the building will be. He said they will have to clear some trees and said the addition and clearing the property will address the drainage issue. He said most of the water flows to the back of the property and also drains to the top part of the property. He said there should not be additional noise or traffic.

Being no additional speakers, Chairman Patton declared the public hearing closed.

#### **CZ #2014-3 LandMark Self Storage, applicant (Parcel ID# 82515) Request**

The applicant is requesting the rezoning of 1.2 acres from B-N (Neighborhood Business) to CZ B-G (Conditional Zoning General Business) to permit the expansion of a self

storage facility. This property is the rear portion of a 2.2-acre parcel (the front of which contains a building used as a dance studio) and would be combined with an adjoining 2.8-acre parcel that contains the self-storage facility.

The property is located about 250 feet west of N.C. 150 just south of Quinlan Lane in Ironton Township. It is adjoined by property zoned R-S (Residential Suburban), B-N and CU B-G (Conditional Use General Business for the existing self-storage facility). Land uses in this area include residential and commercial. This property is part of an area designated by the Lincoln County Land Use Plan as Suburban Residential.

#### **Permitted uses**

Under current zoning: retail sales, offices, services, restaurant, etc.

Under proposed zoning: expansion of self-storage facility.

#### **Adjoining zoning and uses**

East: zoned B-N, dance studio.

South: zoned CU B-G, self-storage facility

West: zoned R-S, single-family home.

North: zoned R-S, strip of land owned by homeowners association..

Chairman Patton opened the public hearing concerning CZ #2014-3 – LandMark Self Storage, applicant.

Mark Robinson, applicant, said along with his wife Donna and partner Terry Wilson, are seeking to rezone this for expansion of the self storage facility. He said they are built to capacity right now. He said they are a good neighbor to Quinlan and agreed to buffer as requested by Quinlan Homeowners.

Being no additional speakers, Chairman Patton declared the public hearing closed.

#### **PCUR #163 Francis and Linda Ford, applicants (Parcel ID# 55515)**

The applicants are requesting a parallel conditional use rezoning of a 6.3-acre lot from R-SF (Residential Single-Family) to CU R-R (Conditional Use Rural Residential) to permit the placement of a Class B (doublewide) manufactured home. A Class B manufactured home in a permitted use in the R-R district.

The property is located at 5683 NC 182 Hwy., on the south side of N.C. 182 about 1,200 feet east of N.C. 274, in North Brook Township. It is adjoined by property R-SF. Land uses in this area are primarily residential and agricultural. The Lincoln County Land Use Plan designates this area as Rural Preservation, suitable for low-density residential uses.

#### **Permitted uses**

Under current zoning: Site-built or modular homes, church.

Under requested zoning: doublewide manufactured home.

### **Adjoining zoning and uses**

Southeast: zoned R-SF, tract with log home

Southwest: zoned R-SF, undeveloped tract.

Northwest: zoned R-SF, undeveloped tract.

Northeast (opposite side of N.C. 182), undeveloped lot.

Chairman Patton opened the public hearing concerning PCUR #163 – Francis and Linda Ford, applicant.

Francis Ford, 5683 NC 182 Hwy, said he and his wife retired and want to move here. He said they want to place a doublewide on the property and move south.

Being no additional speakers, Chairman Patton declared the public hearing closed.

The Planning Board recessed their meeting to the 2<sup>nd</sup> floor balcony.

**Public Comments (15 minutes allowed per Rules of Procedure – 3 minutes per person):** Chairman Patton opened public comments.

Rudy Bauer, 8252 Blades Trail, Denver, spoke concerning the removal of C&D disposal at convenience sites. He asked for some help with the traffic light at 16/73. He commented on county vehicles that do not stop and pick up things in the middle of the road.

Robert Avery, Hwy 182 West Crouse, said the Commissioners need to be involved in the Settlements.

Being no additional speakers, Chairman Patton declared the public comments section closed.

Being no additional speakers, Chairman Patton declared public comments closed.

**Public Hearing and Motion to approve the Sole Source Purchase of 4 LP15 defibrillators from Physio Control in the amount of \$115,843.20:** Ron Rombs presented the following:

The Lincoln County Board of Commissioners has approved money in the capital improvement account for the purchase of four LP15 defibrillators.

- This purchase shall be a sole source based upon availability only from one manufacturer.
- The public hearing notice was published in the Lincoln Times News on Friday September 26, 2014.
- These devices are equipped with Masimo RAD57 devices.

Chairman Patton opened the public hearing on the sole source purchase as presented.

Being no speakers, Chairman Patton closed the public hearing.

**UPON MOTION** by Commissioner Robinson, the Board voted unanimously to approve the sole source purchase of 4 LP15 defibrillators from Physio Control in the amount of \$115,843.20.

**Public Hearing and Motion to Approve the FY 15 Operating Assistance Program in the amount of \$167,320:** Ron Rombs presented the following:

NCDOT has allocated Lincoln County a total of \$167,320 for EDTAP, Work First and RGP. These amounts reflect an approximant 17% reduction under last year's funding.

There are no county matching funds for the Elderly and Disabled Transportation Assistance Program (EDTAP) or the Employment Transportation Assistance Program (Work First). There is however, a Lincoln County match of 10% for the Rural General Public Transportation Program (RGP) that has already been figured into the TLC budget for FY 2014-2015.

Chairman Patton opened the public hearing concerning the FY Operating Assistance Program.

Being no speakers, Chairman Patton declared the public hearing closed.

**UPON MOTION** by Commissioner Martin, the Board voted unanimously to approve the Fiscal Year 15 Operating Assistance Program in the amount of \$167,320 as presented by Mr. Rombs.

**Motion to Approve the HGAC Coop Contract purchase of 3 ambulance remounts from Northwestern Emergency Vehicle in the amount of \$268,533 (\$89,511 each) and allow for trade in of 2007 Type II ambulance:** Ron Rombs presented the following:

The Lincoln County Board of Commissioners has approved money in the capital improvement account for the purchase of three remount Type III GMC Cutaway Chassis.

- This purchase shall be from the HGAC Cooperative Purchasing Contract.
- These units will be equipped with newly required environmental temperature controlled units for medication storage.
- Trade-in M-31, 2007 Type II van ambulance

**UPON MOTION** by Commissioner Martin, the Board voted unanimously to approve the HGAC Coop Contract purchase of 3 ambulance remounts from Northwestern Emergency Vehicle in the amount of \$268,533 (\$89,511 each) and allow for trade in of 2007 Type II ambulance.

**Schedule of Values Discussion:** Chairman Patton reopened the public hearing concerning the Schedule of Values.

Kep Kepley addressed the questions raised at the last meeting concerning the Schedule of Values.

The following questions were presented at the public hearing on the 2015 schedule of values.

1. Public training on the schedule of values.

It is difficult to provide all the necessary training to fully understand how to apply all the types of valuation methods. I do have on list for the 2019 revaluation to have a video made to explain the basic points and requirements of a schedule of values. A brochure could be developed to illustrate the basic requirements of the schedule.

2. More public input.

The public has the opportunity to ask questions about the schedule at the public hearing. To ask the public to create or review a schedule of value is not really feasible. The expertise required to do this type of work comes from many years of training.

3. Commissioners should hear appeals.

The Lincoln County Board of Commissioners has chosen to appoint a board to hear appeals. This is very common throughout the state. Generally commissioner boards, with their many other duties and commitments, do not have the time to spend days hearing appeals. For this reason, it is best to appoint a Board of Equalization and Review to hear appeals. By appointing this board, county commissioners can be assured that the members are persons knowledgeable in real estate, appraising property, state laws, farming concerns and other persons who work daily with property within the county.

4. Thinks schedule of values should be rules and not guideline.

A schedule of values is, by its own creation, a guide. Incorporated within it are many, if not every scenario, that the writer(s) could think of that may occur. That being given, there is always something new that may arise between revaluation cycles that was not included or new technology/inventions that came after the schedule is approved. North Carolina General Statutes (NCGS) and court cases have shown that the intent of a schedule of values is to provide guidance but not restrict the assessment of property by limiting the contents. A good example is that a schedule must, by statute, be approved prior to the conclusion of analyzing all sales data. If it was meant to be confining, it would have to be approved after the analysis of all data or the statutes would state no new data could be

considered. The statutes do provide a deadline for not including data, which is after the approval period.

5. Wants property owners to get how property is valued.

A schedule of values does not value property but provides direction on how to value property. When a schedule is approved, there is several months' worth of sales to analyze. The value of a property is not known at that time. The best place to understand how a parcel is valued is the property record card after the values have been established. All information for a parcel is on the property record card and can be reviewed and calculated. If a person needs assistance with the calculation of a parcel's value, a schedule of values can then be used. If further explanation is required, a list of sales information can be provided.

6. Specific land value rates in the schedule of values for each neighborhood.

- a. To place a specific base rate in a schedule of values at the time of approval would not be fair to the property owner. The revaluation date is January 1 of the revaluation year. Under general statutes a schedule must be approved prior to this time. What that means is that the last five (5) to six (6) months of sales could not be considered in the valuation process. These are very important sales as they are the ones most closely associated with the revaluation date without going beyond that date. To not consider these could lead to over valuing property and cost the property owners.
- b. When new subdivisions are created after the revaluation ranges allow for setting these base rates. By limiting the range, there is only one (1) base rate which could lead to not applying the best base rate to arrive at the assessed value. This could over or under assess the new neighborhood or subdivision.
- c. To protect the property owners from a county using a base rate not in the schedule of values. Without ranges a county could raise the value in an increasing market.
- d. With only one (1) base rate if someone appealed their value there is no room for change. The only rate available would be the specific base rate.

To illustrate if a schedule of values is drafted so tightly that its application will result in a higher than market valuation for the property and the owner does not challenge the schedule of values, the owner may not have an outlet for an appeal. Ranges should be encouraged so the owner does not have to challenge the schedule of values but has confidence that if an assessed value is incorrect it may be appealed and the owner will prevail.

Ranges should be broad enough to allow for leeway in making the assessment and not so narrow that if a taxpayer does not appeal the adoption of the schedule of values the owner will have difficulty challenging an assessment made pursuant to the schedule.

7. Gaston and Cleveland have the exact values in schedule of values.

Gaston County does not include the exact value but uses models similar to our models. Cleveland does use exact values.

Three (3) neighboring counties Gaston, Catawba, and Iredell are doing 2015 revaluations and do not use the exact values. Also, the neighboring county Burke does not use the exact values. All these counties use a range.

8. Where do ranges come from?

Ranges are derived from market sales within a neighborhood or township. The high and low sales are analyzed to determine what would be best suited to allow for market changes between the time the schedule is approved and the revaluation date. Also, allow for unknown changes within a neighborhood over the current revaluation cycle.

9. Valuation method for golf courses.

The three (3) approaches to value (cost, income and market) are to be considered in valuing property. The best method for golf courses is the income approach; however, many times this information is not provided to the county until an appeal is made. The next best method is the cost approach. This cost method, due to a lack of income information, is used most often. For this reason, it deserves a larger explanation in the golf course section as golf course construction costs are somewhat different than other commercial property. The income approach is addressed in more detail on pages 30-38, and 70-71.

10. Increase the gross income multiplier.

The gross income multiplier is used to value commercial property using the income method. In the schedule is a range for multipliers. Example, a good golf course has a GIM of 1.5 to 2.5. What is being asked is to increase from a range of 1.5 to 2.5 to 1.0 to 2.5.

11. Why use a range for the GIM?

A range is required to allow for variances in income-producing golf courses. This way one that is generating less income will not be valued the same as one generating a higher income.

12. Can the schedule of values be changed prior to approval?

Yes, but any major changes could require a loss in approval time.

13. Why not start the approval process sooner?

Our county, like other counties, are reviewing data from sales and other sources. It takes a great deal of time to do this and the closer to the revaluation date the more accurate. NCDOR recommends that schedules be presented in the period

from late July until late September. This gives ample time for statutory requirements and an appeal to the PTC in Raleigh. Their concern is the same as the counties to have the data upon which to establish values.

14. Why have a public hearing?

NCGS requires a public hearing. Also, this is time for property owners to ask questions about the schedule of values. It is a way to educate the public about the schedule.

15. Could public requests be considered to be placed in the schedule of values?

They would be considered, but all may not be able to be placed in the schedule. Some of the requested changes could be made with minimal reconfiguring. Others would not be in the best interest of property owners (please see the above questions and answers). Some cannot be done at this time without considerable cost to the county.

Robert Avery, Hwy. 182 West, said Kep has covered a lot of the items, but it's neighborhood, townships and zip codes. He said real estate is zip codes, township are old and have been the same for a long time.

Allen Brotherton, 1276 Winged Foot Drive, Denver, said he appreciates Mr. Kepley's taking a look at the gross income multiplier. He said he is here on behalf of his client, Verdict Ridge Golf Course. He said they went back to their expert, who came up with 2 points to where they would not have to appeal to Raleigh. He said one of those is the gross income multiplier, which he thinks a 1.0 bottom end of the range would be acceptable to Mr. Kepley and to them. He said the other thing would be if you are doing a cost approach, to make sure you are doing it right with the income method.

Jim Owens, 8108 Bradford Lane, spoke concerning sales data for his neighborhood. He asked the Board to delay the current reevaluation until such time as properly documents rates and complete information can be included in the Schedule of Values and made available to property owners.

Martin Oakes, 8057 Lucky Creek Lane, said he and Susanne Sellers spent 2 hours with Mr. Kepley, Mr. Jackson and staff this afternoon. He said they all agreed that the Schedule of Values should be thrown away at the state level and shouldn't be part of a revaluation. He said it has to be dealt with because we are required to do so. He said he takes issue with Mr. Kepley saying the Schedule of Values is guidelines since the Statute explicitly says the Schedule of Values are rules and methods by which the assessors shall figure out how to access property. It says sufficiently detailed rules. Mr. Oakes said they proposed several ways for this to be fixed. He said that when you go to Raleigh to appeal you have to show not that just you are valued wrong, but that the county also acted illegally or arbitrarily. He said if there is a wide Schedule of Values with basically no rules, you can never win that half of the cases.

Lori Glover, 4340 Cricket Cove Court, said if the Schedule of Values will be cited by

either the county through the Board of Equalization or by the State Tax Commission as the reason to deny an appeal, it must contain sufficient information for the property owner to appeal the SOV. If it doesn't, it doesn't meet the Statutes of sufficient data for a homeowner to successfully appeal. She said property owners shouldn't have to live for 4 more years with the results coming from a set of documents that aren't sufficiently detailed to meet the State Statutes or the county's own processes.

Commissioner Mitchem asked Jon Stevens questions about property values.

Commissioner Klein spoke concerning his disappointment in the fact that the Lisco group expressed their concerns in writing this summer and there is nothing we are prepared to change for the 2015 Schedule of Values. He said he thinks the questions raised are reasonable ones and the answer cannot be "we do not have enough time". He said he still thinks there is time to do something. He said he is not comfortable moving forward because he doesn't think they have done enough.

Being no additional speakers, Chairman Patton declared the public hearing closed.

Commissioner Mitchem asked Mr. Kepley what changes can be made at this point.

Mr. Kepley said one change discussed was moving the GIM from a 1.5 to a 1, which is a very simple change. The second change could be with the one particular code, C-S (Commercial sewer) could be C-SW or C-WS (Commercial Water/Sewer). There were a couple of code changes and land types. He spoke concerning neighborhoods and values.

Commissioner Klein asked Mr. Kepley to bring to the Board in 2 weeks those items that he believes have value in changing the Schedule, consider doing in 2019 or the next cycle, and that all suggested changes be copied to those that came to the meeting, both last time and this time, enough in advance that they have time to respond if they would like.

Mr. Kepley said at the next meeting, he will bring a document that shows what has been changed and what can be changed for the next revaluation.

Chairman Patton called for a five minute recess, then called the meeting back to order.

#### **Airport Hangar and Business Park Presentation:**

Martha Lide presented the following:

It is recommended that the Board approve the concept of constructing 37 T hangers, a jet hanger and a site for 6 corporate box hangers at the airport, the grading of 32 acres of County owned land for a business part at the airport, and beginning the process of applying for a \$6.667 million USDA loan.

Attached are the assumptions of the business plan, a map of the proposed project and spreadsheets outlining the business case for this project. The assumptions attached have

been reviewed and approved by Aviation staff and the Airport Authority, but can be modified as the Board feels necessary during the application process. If the concept is approved, the approval of a formal application and other required paperwork will be brought back to the Board before the project moves forward. The final loan application will be brought to the Board for approval.

Commissioner Klein asked to see the case if we move forward with the jet/corporate box hangars only. He asked for a letter from the City stating specifically what their position is on this. He said from LEDA he would like to know at what rate Airlie will proceed, since there are a lot of parcels out there. He said he would like LEDA's commitment at the rate they will move forward with Airlie and that this business park at the Airport is necessary. Commissioner Klein expressed his concern with the risks associated with this project. He said he would like to see commitments from those wanting T hangars and jet hangars. He said under those assumptions, he would be happy with moving forward.

**UPON MOTION** by Commissioner Robinson, the Board voted unanimously to approve the conceptual idea and to bring it back along with Commissioner Klein's request.

**Wellness Update:** Martha Lide presented the Employee Wellness Program Update. Included in this report were the health screening results, accomplishments, and the following list of Wellness Incentives recommended for 2014-2015:

1. Weight Watchers Classes - \$2,020
2. Employee Health Fair - \$2,000
3. Smoking Cessation – \$2,450
4. Walking Challenge or other Fitness Incentive -\$5,200
5. Susan G Komen Walk - no cost
6. Diabetes Education Classes - no cost
7. Mobile Mammography Bus – no cost

Total cost of incentives: \$11,670

**UPON MOTION** by Commissioner Martin, the Board voted unanimously to approve the wellness incentives recommended.

**Borghetti Revised Ground Lease:** Martha Lide presented the following:

It is recommended that the Board approve in concept, a revised Ground lease with Borghetti Turbos North America Inc. and an accompanying agreement with Maistro Investments, LLC, and direct the County Attorney to develop agreements that will accomplish our economic development goals and protect the County. Final executed agreements will be brought back to the Board for final approval.

Crystal Gettys, **Business Development Manager/Assistant Director** for LEDA, presented the following information:

Current Situation:

- County purchased 5.5 acres in Lincoln Industrial Park for \$99,000 and entered into a Ground lease with Borghetti Turbos to construct at least a 20,000 square foot facility at a cost of \$700,000. Their plan was to become a distribution center for their factory in Brazil. They agreed to create 5 jobs with employees making no less than \$500 per week. Instead of providing Borghetti a local tax incentive, Borghetti agreed to pay the county the normal taxes due until the \$99,000 sale purchase price was reached at which point the property would be deeded to Borghetti.
- Maistro Investments, LLC has purchased an 10.59 acre site and is in the process of constructing a 45,000 sq ft shell building. This shell will include a pad to allow for expansion up to 63,000 sq ft.

#### Change in Plans:

- Borghetti has not started construction due to Brazilian economy, but is now ready to move forward but they want to change / expand scope of project. They currently operate two plants in Brazil with a total of 270 employees. They now plan to manufacture their product in the US and this means their space/ facility needs have changed. Over the next 5 years, they plan to develop the operations here in three phases and will create 150 jobs.
  - Phase 1 - First 2 years
    - First 6-12 month - Begin operations as a distribution center in a 45,000 sq. ft. building. Create 5 jobs.
    - From 12-24 Month - Begin to incorporate assembly of product into operations within the 45,000 sq. ft. Create 15 jobs
    - Total Phase 1 Investment = \$3,508,000 – Create 20 jobs
      - Purchase 10.59 acres = \$296,820
      - Building Cost = \$2,900,000
      - Machinery and Equipment = \$300,000
  - Phase 2 – Year 3
    - Expand building to 63,000 sq. ft. (Add 18K sq. ft.)
    - Move machinery and begin a portion of the manufacturing process
    - Total Phase 2 Investment \$5.9 M – Create 150 jobs
      - Invest \$900,000 in building improvements
      - Invest \$5 M in machinery and equipment
  - Phase 3 - Years 4 and 5
    - Move aluminum foundry portion of manufacturing to US
    - Construct a separate 45,000 sq ft building on the remaining portion of the 10.59 acre site
    - Invest \$5 M (Building and Equipment)

#### Proposal:

1. Maistro buys 5.5 acres that the County originally purchased for Borghetti for \$99,000
2. County purchases 10.59 acres from Maistro for \$296,820 (Use the \$99,000 from

sale above plus \$197,820 additional)

3. Borghetti purchases shell building from Maistro
4. County enters into a ground lease with Borghetti that provides the same terms as the original ground lease. They pay taxes until they have paid the County the purchase price. The land stays in the County's name until the tax payments equal the purchase price.
5. Maistro buys 20 acres adjacent to the former Borghetti property to construct additional shell buildings.
6. Agreement with Borghetti would include the following default provisions
  - If after phase 1 – they decide they will not do phase 2 & 3, but they continue to operate as outlined in Phase 1 above ( 20 jobs, \$3.5 M investment) they can continue to make the tax payments until they reach \$296,820.
  - If the default on the payment of the \$296,820 then Maistro would buy the land from the County for \$296,820 and market the property for sale.

**UPON MOTION** by Commissioner Martin, the Board voted unanimously to approve the concept as presented.

Commissioner Martin praised Crystal Gettys and Martha Lide for the way this item was put together and presented to the Board. She said it was very easy to understand.

Tracy Jackson showed a video of the Airlie Business Park, which shows the spot where the shell building will go. The land is being cleared and things are moving forward. He said Denver Construction will need an extension due to the time of year, just in case there are any problems with delays. They are asking for an extension from April 4, 2015 until May 31, 2015 in case of bad weather. He encouraged the Board to visit the site to see the improvements made.

**Adjourn:** **UPON MOTION** by Commissioner Robinson, the Board voted unanimously to adjourn.

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Amy S. Atkins, Clerk  
Board of Commissioners

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Alex E. Patton, Chairman  
Board of Commissioners