

**MINUTES OF BUNCOMBE COUNTY BOARD OF COMMISSIONERS'
SPECIAL MEETING OF JULY 26, 2011 AT 5 P.M.**

BE IT REMEMBERED: That the Board of Commissioners met in special session on July 26, 2011, in the Commissioner Chambers, 30 Valley Street in downtown Asheville, North Carolina at 5 p.m. where and when the following business was transacted:

Chairman Gantt called the special meeting to order with the following members present:

David Gantt, Chairman
Holly Jones, Commissioner
Carol Peterson, Commissioner
K. Ray Bailey, Commissioner
Bill Stanley, Vice Chairman

Staff present were: Wanda Greene, County Manager; Mandy Stone, Assistant County Manager/DSS Director; Jon Creighton, Assistant County Manager/Planning Director; Donna Clark, Finance Director; Kathy Hughes, Clerk to the Board; Mike Frue, County Attorney.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

Commissioner Jones gave the invocation.

DISCUSSION/ADJUSTMENT/APPROVAL TO FOLLOW AGENDA

The Chairman reminded the Board that in accordance with the Code of Ethics as adopted by this Board, it is the duty of every Board member to avoid both conflicts of interest and appearances of conflict. He asked if any Board member had any known conflict of interest or appearance of conflict with respect to any matter coming before the Board. None were stated.

PUBLIC HEARINGS

- **Lease and Sale of Facility**

Wanda Greene, County Manager, outlined the strength of the Linamar Company and their goals and growth potential for our area. She described the process the County used to entice the company to Buncombe County. She said that Buncombe was competing with Greenville, South Carolina and in order to bring Linamar to Buncombe, the County offered the company a vacant manufacturing facility known as the Volvo plant off Hendersonville Road. The County purchased the property for \$7 million. She said that the County plans to sell the plant to Linamar for \$8 million as outlined the proposal attached to the minutes. She said that Linamar's average wage would be \$39,745 and the company would create 400 jobs and make a \$125 million investment. The County will offer an incentive of \$6.8 million to be paid over a 4 year period and contingent on Linamar's capital investment.

The Chairman thanked Commission Bailey for his work as the Chairman of the Economic Development Commission in helping to bring Linamar to the County. Commissioner Bailey said that creating 400 new jobs would actually mean over 1000 people employed as a result of these jobs.

Mike Frue, County Attorney, said that there were two public hearings to consider. The first involved a lease/sale and purchase/sale agreement with the Volvo Plant on Hendersonville Road. He said that the company would not have chosen to locate in Buncombe County without the building (existing manufacturing facility) as part of the incentive. He said that the lease agreement covered the property until January of 2012 when Linamar would purchase the property for \$8 million. He asked that the Commissioners approve the resolutions following the hearing.

The Chairman opened the public hearing at 5:29 p.m.

David King asked if the money to be paid to the County from Linamar would repay the loan on the building or be put in the general fund.

Linda Southers said that everyone should get the red carpet treatment (*referring to a statement made by Commissioner Jones who quoted the company as appreciative of the red carpet treatment they received instead of the red tape treatment*).

Lisa Landis said she was happy to hear that this is a family company. She asked about the average wage for workers and management workers; she urged the company to review the documents with the County.

The Chairman closed the public comment at 5:33 p.m.

The County Manager said that the \$7 million to purchase the Volvo facility was not borrowed money and would come back as repayment.

Commissioner Bailey moved to approve the **Resolution Authorizing the County to Pay Economic Development Incentives and to Sign an Economic Development Agreement** as presented. Commissioner Peterson seconded and the motion passed 5-0.

- **Economic Incentive Agreement**

Mike Frue, County Attorney, said that the incentive to be considered was based on Linamar's \$125 million investment and the creation of 380 plus jobs. The incentive would begin with \$3 million this year and end in September 2014. He outlined the "clawback" provisions that set out how the investment would be recovered if outlined conditions were not met. He said that the risk was minimal in light of all the agreements.

The Chairman opened the public hearing at 5:38 p.m.

Jerry Rice referred to an incentive that was given to Volvo before the local plant closed. He asked if the incentive was recovered from Volvo when they closed. He requested a pay breakdown for the Linamar jobs and questioned the accuracy of the average wage.

David King said that most manufacturing facilities did not have a lot of management and that the quoted average wage should be correct.

Lisa Landis asked why the County did not invest in the people of the county and not elite manufacturing. She wants \$20 million spent on creating small business jobs.

The County Manager said that the state documents with a Linamar salary breakdown could not be released because of trade secrets, but she would see if the County could release salary breakdown data. She said that the North Carolina General Statutes must be followed and investments cannot be made randomly in small business.

Jon Creighton, Assistant County Manager, said that the County did have a recovery agreement with Volvo but none of the incentive was ever paid out.

The Chairman closed the public hearing 5:46 p.m.

Commissioner Peterson moved to approve the **Resolution Authorizing the County to Lease and Sell Facility to Company and to Enter into Lease Agreement and Purchase/Sale Agreement**. Vice Chairman Stanley seconded and the motion passed 5-0.

ANNOUNCEMENTS

The Chairman made the following announcements:

- *The next meeting of the Board will be August 2, 2011 at 4:30 p.m.*

- *Commission meetings can be seen on BCTV Charter Cable Channel 2 on Tuesday and Thursday at 8 p.m.; Wednesday at 3 p.m. and Saturday and Sunday at 9 a.m. or online at buncombecounty.org*

Commissioner Bailey moved to go into closed session pursuant to GS 143.31811(a)(3) for an attorney client matter and (4) an economic development and property acquisition matter. Motion passed 5-0.

CLOSED SESSION

Discussion was held concerning a possible economic development incentive for a manufacturer considering locating here. The Commissioners gave consensus for further negotiation with the company planning to make a \$70 million investment and bring 123 jobs to the area.

Discussion was held concerning the possible purchase of a property near the AB Tech Campus for use by the community college. The Board gave consensus to allow further negotiation for this acquisition.

Discussion was held concerning the CTS site on Mills Gap Road and the take down of the building on that site. The Manager reported that the Environmental Protection Agency was in favor of having the building removed to allow for further testing. The Board would enter into a memorandum of agreement with the owners of the facility for takedown of the building (leaving the concrete cap) and to have the owners maintain the landscape of the facility. Action would be taken in open session.

Discussion was held regarding a possible referendum. No action was taken.

Vice Chair Stanley left the meeting.

Commissioner Peterson moved to return to open session. Commissioner Bailey seconded and the motion passed 5-0.

The Chairman said that the Board would instruct the County Manager to investigate an agreement with the owners of the CTS facility to take down the structure at the County's expense and to have the owners keep the remaining facility (concrete cap) and landscape maintained and cleaned up. The Manager would report to the Board at the August 2 meeting.

Commissioner Bailey moved to adjourn the meeting. Commissioner Peterson seconded and the motion assed 4-0.

The meeting was adjourned at 6:30 p.m.

KATHY HUGHES, CLERK TO THE
BOARD OF COMMISSIONERS

DAVID GANTT, CHAIRMAN
BOARD OF COMMISSIONERS