

Unsealed by Board of Commissioners 04/13/2015.

**SEALED MINUTES  
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS  
CLOSED SESSION MEETING – August 11, 2008**

Pursuant to NCGS 143-318.11 (a) (3), closed session was entered into. Present were Chairman Chappell, Commissioners Bullock, Guice, Hogsed and Phillips, County Manager Artie Wilson, County Attorney Curtis Potter, Finance Director Gay Poor and Clerk to the Board Trisha McLeod.

The Manager reported that in early June he and Chairman Chappell met with representatives from Renova to discuss their investment in the Ecusta property. The Renova representatives asked Transylvania County to consider entering into an agreement with them to utilize tax increment financing as a method to help finance some of the public improvements at the site. This was the first time they had brought this issue to the County. The Manager informed them that staff would research the issue and discuss it with County Commissioners. Tax increment financing (TIF) is new to North Carolina.

Staff contacted several State agencies to learn more about TIF, as well as other local governments in the State that have used TIF before. Staff learned that TIF is a method of increasing the overall property value in a district that is currently underdeveloped. Ecusta meets that definition. Using this finance method, a county or city borrows money to fund public improvements in the designated area with the goal of attracting private investment. Certainly the County wants the Ecusta property to be an investment such that it adds to the tax base. Renova has indicated that the incremental value of the property would be approximately \$284 million. Renova also indicated that in order to facilitate such an investment, there must be a number of public improvements made costing approximately \$40 million. The incremental value, or property tax value, of the property is supposed to cover the cost of the debt service on \$40 million. The Manager said he believes the incremental value of the property would not support the debt service on \$40 million. The only way to cover the debt service is to include the City of Brevard's revenue.

The Manager summarized Renova's request. Renova has asked the County to consider the concept of a financing mechanism through TIF where the County pledges the property taxes to pay for public improvements on the site. The County borrows the funds and is responsible for repayment of the debt. Over the years, the County has offered incentives to businesses coming into the County by granting their property taxes back to them for a set period of years. TIF could impact the County for up to 30 years.

There are some benefits to TIF, such as this would be a way to get the site cleaned up. Everyone wants to see the Ecusta site prosper again. The Manager said he hopes the developer would assume that risk.

The Manager will be meeting with Renova again on August 19, 2008 along with their attorneys to further discuss this issue. He said he has expressed to Renova representatives that the people in the community are expecting Renova to be a great asset but they are also hoping this will contribute to the County's tax base and economy. Renova cited a major benefit of this plan as bringing approximately 2,500 retail and sales jobs to the County.

The Manager reported that the Local Government Commission is not supportive of TIF at this time because of the risk involved. There are other methods of financing available. He noted that TIF does not require a vote of the people. Staff has major concerns over TIF. He said it appears Renova representatives shared different information with City officials. City officials were not as educated about TIF.

Commissioner Guice said he has difficulty with supporting Renova's request. Commissioner Phillips agreed, noting that his understanding was Renova has the funds to develop this site without help from the County. Chairman Chappell mentioned that Renova has never participated in TIF before; however some of their staff has.

The Manager said if there is a need, there are other alternatives and incentives available. The risk should be borne by the developer, not the County. Commissioner Hogsed said he will never support TIF because he does not agree with it principally.

The Manager also noted that the City will be asking the developer for some specific things as well, one of which is a \$1 million impact fee. The Manager and Chairman Chappell have discussed the possibility of securing some land somewhere on the site on the Davidson River for a water filtration plant. This venture should be explored by both the City and County. Staff would like to continue to meet with Renova representatives to further understand the project. At the meeting on August 19, 2008, the Manager plans to learn more about their request.

Commissioners instructed the Manager to give no indication that the Board approves their request; however if asked directly by Renova, the likelihood of this Board supporting TIF is zero.

**Chairman Chappell moved to reenter Open Session, seconded by Commissioner Bullock and unanimously carried.**

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Jason R. Chappell, Chairman  
Transylvania County Board of Commissioners

ATTEST:

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Trisha D. McLeod, Clerk to the Board