

Unsealed by Board of Commissioners 03/28/2011.

**SEALED MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
CLOSED SESSION MEETING – October 18, 2010**

Pursuant to NCGS 143-318.11 (a) (5) to establish, or to instruct staff concerning the position to be taken on behalf of the public body in negotiating the price or other material terms for the acquisition of real property owned by Zion's Bank and located at 1989 Old Rosman Highway for the intended use in whole or in part for public education purposes, closed session was entered into at 7:02 p.m. Present were Chairman Chappell, Commissioners Bullock, Hawkins, Hogsed, and Phillips, County Manager Artie Wilson, Finance Director Gay Poor, County Attorney Curtis Potter, and Clerk to the Board Trisha Hogan.

The Manager reported he received confirmation from Parker Poe, Attorneys at Law, that the County can not use the remaining QSCB funds to purchase the Peter Vitalie building for public education purposes. There is approximately \$1.1 million in QSCB funds remaining.

The Board of Education is very interested in purchasing the facility to use for Career and Technical Education (CTE) purposes. Staff has yet to receive an estimate of renovation costs for the facility from the Board of Education. Zion's Bank has received one offer on the Peter Vitalie building thus far. The Manager said if the County is interested, Commissioners must make an offer quickly. If the County's offer is accepted, the bank will enter into a negotiation agreement with the County on the escrow funds and inspection period which is typically 90 days. The County can cease negotiations during the inspection period without penalty. The Manager noted the bank's asking price is \$900,000.

The Board of Education met earlier this evening and unanimously approved asking the County to purchase the Peter Vitalie building with a 90 day inspection period. The Board of Education has indicated they have no monies available to share in the purchase of the building.

After reviewing the bank's proposed purchase and sale agreement, the County Attorney recommended several modifications to the document in the event the County decides to make an offer on the property.

The Manager discussed the pros and cons for purchasing the building:

Cons

- Sawdust and toxic materials on site that need to be removed
- Other materials on site unknown; requires more investigation
- Former owner entered into Hazardous Substance Certificate and Indemnity Agreement in 2001
- Stream of no concern to NC Department of Environment and Natural Resources (NCDENR) according to Inspections Director Jeff Fisher; however NCDENR has not issued anything in writing
- Soil samples needed because of possible contamination
- Town of Rosman has permanent easement on property and has access to property at any time; Town uses well on property
- Renovation costs unknown; Board of Education expects to have figures in approximately 60 days
- 60,000 square feet facility; only 15,000 needed for CTE purposes; concerned about how to use remaining portion of facility

Pros

- Property consists of 13 acres
- Great site

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- Water and sewer access
- Large facility with space for other functions

The Manager said if the County can purchase the building for \$1 million or less, assuming the renovations can be completed with the remaining QSCB funds, he believes this option is the least expensive option. The bids for a new facility on school campus came in at \$2.1 million. The renovation costs are unknown at this time.

Commissioners discussed whether or not to make an offer on the facility. Some of their concerns included future ownership of the facility, use of the additional space in the building, and County budget issues.

The Manager pointed out the Board of Education can opt to use the QSCB funds to renovate the current CTE building or use the funds for other educational purposes as long as they go through the process to make a project scope change. The QSCB funds must be spent within a 3-year period.

The consensus of the Board was to make an offer which gives the Board of Education time to determine the renovation costs. It also allows time for staff to continue discussions with the Board of Education. Commissioners instructed the Manager and County Attorney to seek a 120-day inspection period rather than the 90-day inspection period. The County can cease negotiations at any time.

The Board agreed upon an offer amount of \$500,000, noting that the Board's decision to move forward will depend upon the total cost of the project. The total cost will include purchase of the facility, renovation costs, and environmental studies. The County Attorney was instructed to explore whether the environmental study costs can be used in lieu of earnest money. The Manager and the County Attorney will submit the offer tomorrow.

Chairman Chappell moved to leave closed session, seconded by Commissioner Hogsed and unanimously carried.

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan
Clerk to the Board

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