

Unsealed by Board of Commissioners 03/28/2011.

**SEALED MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
CLOSED SESSION MEETING – December 9, 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 7:05 a.m. Present were Chairman Hawkins, Commissioners Chapman, Chappell, Hogsed, and Phillips, County Manager Artie Wilson, Finance Director Gay Poor, County Attorney Curtis Potter, and Clerk to the Board Trisha Hogan.

The Manager updated Commissioners on the status of the Peter Vitalie Building. Since the previous meeting, he received information regarding the potential environmental issues affecting the property. If the County proceeded with the purchase of the property any environmental concerns must be reported to the State. The estimated cost of cleaning up the property is \$120,000. He believes this should be a key negotiating term with Zion's Bank.

The Manager also received an estimate from the Schools on the architectural design for one third of the facility estimated at \$985,000. This amount does not include any contingencies. Design and construction contingencies bring the total estimate to approximately \$1.133 million. The amount available in QSCB funds is \$1.145 million. The Board of Education has spent approximately \$152,000 of the funds thus far.

The Board of Education's original estimates to construct a new CTE Building were \$1.3 million; however the bids came in over budget at \$2.1 million. Construction fees brought the total to \$2.4 million. The County borrowed \$1.297 million in QSCB's. Funds needed to make up the difference would be \$1.1 million. A viable alternative is to purchase the Peter Vitalie Building. The Manager believes either the County or the Board of Education would need to come up with an additional \$498,000 in funding to make this option work, not including the costs of dealing with the environmental issues. The total estimated cost would be \$1.97 million.

The Manager noted that although the County has made an offer on the facility of \$500,000, the Bank has not accepted the offer. The latest counter offer from Zion's Bank is \$595,000. Zion's Bank is anxious to sell this property and close on the deal by the end of the year. Given the Bank's eagerness to move forward and the potential costs the Manager discussed above, the Manager asked Commissioners how they would like to proceed.

Commissioners discussed the pros and cons of purchasing the building and expressed various concerns regarding the funding and costs, ownership of the facility, intended and potential uses of the facility, etc.

Commissioner Hogsed made a motion to make an offer of \$100,000. The motion was seconded by Chairman Hawkins. The Manager noted the County will have 14 days to back out of the deal. The Attorney noted any further environmental due diligence will require contacting the NC Department of Environment and Natural Resources. Commissioners expressed concern about addressing the environmental issues within the 14 day time period. **The motion failed by a vote of 3 to 2, with Commissioners Chapman, Chappell, and Phillips voting against.**

Commissioner Chapman made a motion to make no offer on the property prior to December 23 until there is more detailed information available. The motion was seconded by Commissioner Phillips. Commissioner Chappell noted the County has already made an offer and the Bank has yet to

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respond. Commissioners discussed whether or not to withdraw the offer of \$500,000. **Commissioner Hogsed moved to amend the motion to withdraw the current offer of \$500,000 and notify the Board of Education to cease further work on the architectural design. The amended motion was seconded by Commissioner Phillips.** Further discussion ensued about the Board of Education's desire to address CTE needs. Therefore it was suggested that the County stand firm on its original offer and not make an offer for a cash sale for a projected closing date of December 23. **Commissioner Hogsed withdrew the motion to amend.** The Board will discuss this issue further during their meeting on December 13. It was suggested that the Manager and the Attorney convey to Zion's Bank that the Board of Commissioners is not comfortable with the environmental issues and the costs of remediation and that the County's offer is tentative, not binding. **The main motion passed by a vote of 4 to 1, with Commissioner Hogsed voting against.**

Commissioner Chappell made a motion that staff communicate the environmental concerns to Zion's Bank, seconded by Commissioner Phillips and unanimously approved.

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

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan
Clerk to the Board