

Unsealed by Board of Commissioners 4/10/2018.

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
July 11, 2016 – CLOSED SESSION

Per NCGS 143-318.11 (a) (4) to discuss matters relating to the location or expansion of business in the area served by this body, closed session was entered into at 8:25 p.m. Present were Chairman Hawkins, Commissioners Chappell, Lemel and Phillips, Assistant County Manager David McNeill, Transylvania Economic Alliance Executive Director Josh Hallingse, County Attorney Tony Dalton, and Clerk to the Board Trisha Hogan.

Closed Session #1: Ecusta Road Project

This is a follow up from a previous closed session.

Transylvania Economic Alliance Josh Hallingse briefed Commissioners on the Ecusta Road project.

Transylvania County was invited by the Golden LEAF Foundation to submit an application for a community based grant initiative totaling \$1.5 million. The identified project focused on education and economic development activities. A local company has approached the County about their need for a larger facility in which to expand their business.

The City of Brevard owns a 6.4 acre tract on Ecusta Road and has expressed an interest in using the property for economic development purposes. A half-acre tract on the road frontage is owned by another party, but Mr. Hallingse was happy to report that the owners have agreed to sell the property to the City and the transaction is under contract. Funds from the Golden LEAF Foundation grant are intended to be used to construct a shell building to meet product development needs.

Development scenarios were presented at a previous meeting and it was the consensus of the Board that a public development scenario was best. This implies that the City of Brevard shall potentially lease, sell or donate the Ecusta Road property to the County. The County would build and own the shell building in which the Transylvania Economic Alliance would manage. The 50,000 sq. ft. building would accommodate the expansion for an existing local manufacturer (30,000 sq. ft. lease) and provide space for other potential tenants (20,000 sq. ft. built on spec). The building and site specifications are still being refined.

Mr. Hallingse supports the proposal because it fits the needs of the Golden LEAF Foundation grant and shows the County values economic development and has the desire to partner with others to develop a meaningful economic development project.

The estimated cost of constructing the building is \$3.1 million. The lease should be structured so that the tenant pays for the debt service on the building. Mr. Hallingse reported that the Transylvania Economic Alliance Board of Directors voted to use funds passed to them by the previous organization (Transylvania Partnership) to cover soft costs. He also reported that the City of Brevard has agreed to offer a percentage of revenue and line item revenue toward long term economic development efforts (utility extensions or enhancements, etc.) and it would be incumbent upon this Board to agree to the same.

Mr. Hallingse next discussed the structure of the participation between the City and County. The City's purchase of the road frontage parcel consolidates their larger parcel into one large tract totaling 6.94 acres. The proposal is for the County to consider a ground lease with the City with the terms to be determined based on revenue generated on net income from the building lease. A long term ground lease

of 60+ years is needed in order to secure private sector debt involvement. Transylvania Economic Alliance would manage the building. This means they would market the building and serve as the property manager who is responsible to the tenants. The structure needs to be finalized and Mr. Hallingse welcomed feedback from Commissioners.

The next step is to move this process into a public dialogue. The Board needs to submit a letter of intent to the Golden LEAF Foundation to ensure the project is moving forward and approve a project ordinance (assumes obligation from the General Fund). Requests for proposal are needed for civil engineering services in order to understand the site development costs. Mr. Hallingse noted that the County must have a signed lease in place with the tenant in order to receive the grant funding.

Mr. Hallingse intends to present the information at the August 22 Board of Commissioners' meeting and he will ask Chairman Hawkins to sign the letter of intent at that time. He suggested the meeting be a joint meeting with Brevard City Council to showcase the joint effort on the part of the two entities. Mr. Hallingse will then develop the RFP for engineering and architectural services to finalize costs. He expects the project to be bid this coming winter with the tenant moving in the spring of 2017. He noted that the grant requires the project to be completed within 36 months.

The Board of Commissioners was supportive of Mr. Hallingse's efforts and expressed a desire to continue moving forward to make the project a reality.

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board