

Unsealed by Board of Commissioners 01/13/2020.

MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
October 22, 2018 – CLOSED SESSION

Per NC General Statute § 143-318.11 (a) (5) To establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease, closed session was entered into at 8:50 p.m. Present were Chairman Chapman, Commissioners Chappell, Hawkins, Lemel and Phillips, County Manager Jaime Laughter, Building Permitting and Inspections Director Mike Owen, Parks and Recreation Director Jared Mull, Transylvania Economic Alliance Executive Director Josh Hallingse, Transylvania Economic Alliance Board of Directors Chairman Jeremy Owen, Hydro-Engineer Andrew Bick with Headwaters Engineering, County Attorney Misti Bass (via conference call), and Clerk to the Board Trisha Hogan.

The Alliance is under contract with Brevard College, thus acting as the County's agent. Closed session discussion centered on use of the property which was part of the due diligence process given the fact the property floods and the associated mitigation costs. This discussion was necessary to determine if the property could accomplish the purpose for which it is to be purchased. Any decision to purchase will be made in open session. Commissioners were presented with pertinent information related to the property, followed by Board discussion and direction to staff.

Transylvania Economic Alliance Executive Josh Hallingse introduced Andrew Bick who provided a hydro-analysis of the Brevard College property. He specializes in streambank restoration and related areas. Civil engineers from WGLA were scheduled to attend tonight's closed session but were unable to due to a conflict. Mr. Hallingse reported that WGLA relayed they were supportive of Mr. Bick's findings.

The Alliance worked with engineers to develop a master plan and cost estimates for the recreational amenities. As the due diligence period has progressed on this project, Commissioners thought it would be appropriate to discuss the permitting process and available options. Mr. Hallingse distributed a document that segments the existing master plan property into different amenities: baseball fields, hard courts, soccer fields, etc. The next document gave a more in-depth perspective of the modeling in terms of the overall site grading plan in order to achieve the master plan concept. Equinox and WGLA also modeled how frequently the property would flood based on the master plan.

Mr. Hallingse pointed out the Board could choose to change the types of amenities in the future. The amenities do not have to mirror the conceptual plan. With that also comes the option to add fill dirt to accommodate specific amenities. The decision would be based on the public's risk tolerance. For example, if the Board of Commissioners decided to raise one of the fields to a higher base flood elevation of 50 years, the cost would increase by \$119,000. To increase to a 100 year level would increase the cost by \$198,000. The County may be willing to accept more frequent flooding of a soccer field than a tennis court. This factor impacts the cost. Commissioners could also decide to design the amenities in a different way, such as using AstroTurf. This is how Mr. Hallingse and the engineers viewed the conceptual plan.

Permitting structures in the floodplain and floodway is more restrictive. The City requires a no rise certification and a no adverse impact regulation. Through this process, Mr. Hallingse worked with a civil engineer to put a master site grade plan in place. Mr. Bick has been working with the flood models to understand if it is possible to achieve the City's standards in order to satisfy the permitting requirements.

When they started placing structures and impediments into the master plan, the models appeared to work fairly well, according to Mr. Hallingse.

Commissioner Phillips was dismayed to learn that a large portion of the property is located in the floodway. It had previously been reported as being in the floodplain. He said this factor adds to the cost significantly. He was not confident the public would be supportive of the Board moving forward with this purchase for parks and recreation purposes.

Mr. Bick stated that typically there are development restrictions in the floodway, which is a narrow band around a river. Roughly 47% of the Brevard College property is located in the floodway. It requires a detailed engineering analysis to show that any structure placed in the floodway does not create problems for neighboring properties. The City of Brevard added a requirement that any development in the floodplain carries with it the no rise certification and no adverse impact regulation as well. Structures can be built in the floodway and floodplain, as long as the builder can meet the regulatory requirements.

Chairman Chapman was concerned about the additional cost to add fill dirt to make the property usable.

Mr. Hallingse stated that the conceptual plan that was modeled from a cost standpoint by Equinox included roughly 13,000 cubic yards of dirt being hauled in. The Board can choose to spend additional monies on fill dirt to increase the elevation, theoretically causing there to be less flooding and thus leading to a reduction in maintenance costs.

Commissioner Hawkins inquired further about development costs. He pointed out the net purchase price, assuming the streambank credits, would be approximately \$290,000. Should Commissioners invest in fill dirt to increase the base flood level, it increases the overall cost to \$1 million to be ready for fields. Mr. Hallingse pointed out the cost is probably higher. The conceptual plan included landscaping, streets, etc. This cost does not include those items. Mr. Hallingse cited the example of Jennings Industrial Business Park. The park was largely created, noting it was during a different time and under different regulations, by shifting soil from one site during grading onto another site, thus resulting in two developable sites. The Alliance is borrowing from the same basic principle. The Alliance sees this as an opportunity for parks and recreation. Mr. Hallingse again noted the use of the property does not have to mirror the conceptual plan. The purpose of the conceptual plan was to determine what could be accomplished on the property.

Chairman Chapman was not ready to make a decision on purchasing the property. He cited reasons as being unsure if the City would be willing to consider moving their fields, concern over the flooding issues, and not knowing how the public will vote on the school bond issue which will greatly impact the County's budget.

Mr. Owen pointed out the model shows the property can be developed. Other potential buyers would depend on how much information they know about the property. Another buyer would have a substantially different use than the County.

Commissioner Hawkins asked if there was a strategy to recoup the purchase amount if the Board decides not to move forward with relocating parks and recreation. Mr. Owen said it depends on how the County wants to develop or model the property. He pointed out the engineering modeling indicates it is possible to put structures on the property and meet the no rise and no adverse impact requirements. Commissioner Lemel added that even if the County decided not to develop it as a park, it could be used as workforce housing. Mr. Hallingse thought a large scale development for workforce housing would be difficult. It could be doable on a smaller scale. He thought recreational or agricultural were probably the highest and best uses. Mr. Hallingse added that it is worrisome to the Alliance that some are banking the County's

future on Davidson River Village. From the Alliance's perspective, the development of Davidson River Village is years away. For that reason, the Alliance has been trying to move forward with other options, understanding that this is a complicated and controversial conversation. Mr. Owen added that their interest is focused on current County owned property and creating an opportunity there for industrial use.

The Alliance is under contract with Brevard College for a potential purchase price of \$440,000. Mr. Hallingse stated that coming up with a value was difficult because there are not a lot of comparisons in the market. The property is unique in that it has access to public water and sewer, but it also has a healthy amount of floodway on it. The Alliance's appraisal came back at \$460,000. Brevard College's appraisal was higher than the County's. It is on the tax rolls for slightly more than \$500,000. Equinox valued the streambank credits at \$150,000.

Chairman Chapman inquired about possibilities for usage by another buyer. Mr. Hallingse stated that streambank restoration might be an opportunity for another buyer. Slightly over eight acres were set aside as qualifying for a conservation easement.

The Manager was concerned about losing the entire property to conservation because the County would lose the property from the tax rolls. She agreed with Mr. Hallingse's comments about Davidson River Village, stating it will be very expensive and challenging to develop the property. She was unsure about this plan put forth by the Alliance, noting it does not add value to the County's parks and recreation amenities – it only replaces. She was concerned about the hard decisions in the Board's future due to the County's economic development opportunities being very slim.

Chairman Chapman was concerned about the price tag for overall project. He was not confident the public would be supportive of the purchase.

Mr. Hallingse felt this was a proactive move on the Alliance's part because there are such limited opportunities. He pointed out that positive job growth in the community over the last five years has come from the industrial sector. With that said, the County has lost projects due to not having a short term or long term strategy to increase inventory. This is an area in which the Alliance hopes to have an impact over the next couple of years. Additionally, having a plan in place allows the organization to be successful in seeking funding for projects.

Commissioner Lemel reminded Commissioners of the Parks and Recreation Master Plan which indicates the need for significant investments. She asked how much acreage the current Parks and Recreation site consists of. Mr. Hallingse reported the County's portion is 30 acres. Those 30 acres of developable property would provide 110,000 sq. ft. of industrial space divided into three sites (70,000 sq. ft. and two 20,000 sq. ft.).

Commissioner Chappell did not support the purchase price of the Brevard College property. He agreed with Mr. Hallingse the importance of having a plan in place. He noted that is one of the glaring issues, that there is no plan.

Chairman Chapman assumed the Board would hold a public hearing before agreeing to purchase and signing a contract. He reiterated he did not think the public would be supportive.

Commissioner Hawkins said what is appealing to him is that the potential conservation credits bring the cost down to a price point with an easy exit strategy. He was comfortable with the price and felt he could justify his support for the purchase to the public.

Commissioner Lemel was concerned about losing the property for the community. She pointed out the conservation easements bring the net purchase price down to \$5,000/acre. She felt it was an important acquisition for the County in order to free up property for industrial development.

Chairman Chapman inquired about next steps. The Manager stated the Board could hold a public hearing in November to receive public input on a cash purchase transaction. Then staff would forward to accomplish the closing if the Board approved the purchase. She emphasized there needs to be time to inform the public about the project before the Board makes a decision.

Chairman Chapman suggested waiting until after the election to find out about the school bond decision and to get input from the newly elected County Commissioners. He asked the Board to consider waiting two weeks until the next meeting and going back into closed session at that time to get consensus. He reiterated that at this time he was not supportive of the purchase.

Mr. Owen reminded Commissioners that the due diligence period ends in mid-December. There are no dollars tied up in the projects. Should Commissioners decide not to purchase, the only loss would be the dollars spent on engineering costs and master planning the site.

Commissioner Hawkins asked if the due diligence was proprietary. The Manager stated the contracts are with the Transylvania Economic Alliance, and they are not a subunit of County government.

Commissioners agreed to meet in closed session following the regular business of the November 13 meeting. At that time they will direct the Alliance as the Board's agent to either let the contract expire or move forward. If the decision is to move forward, staff will schedule a public hearing.

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

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board