

MINUTES
CHATHAM COUNTY BOARD OF COMMISSIONERS
WORK SESSION
OCTOBER 16, 2006

The Board of Commissioners (“the Board”) of the County of Chatham, North Carolina, met in the Henry H. Dunlap Jr. Building Classroom, located in Pittsboro, North Carolina, at 3:00 PM on October 16, 2006.

Present: Chairman Bunkey Morgan; Vice Chair, Tommy Emerson; Commissioners Patrick Barnes, Mike Cross, and Carl Outz; County Manager, Charlie Horne; County Attorney, Robert L. Gunn; Assistant County Manager, Renee Paschal; Finance Officer, Vicki McConnell; and Clerk to the Board, Sandra B. Sublett

The meeting was called to order by the Chairman at 3:09 PM.

The County Manager reviewed the Work Session agenda.

Work Session

1. Confirm exchange of equipment identified as a group of obsolete Motorola radios authorized at the October 2, 2006 Board of Commissioners’ meeting
2. Aconcagua Timber Corporation (ATC Panels) Incentives
3. Soil & Water Easement Question
4. Attorney Clarification Regarding Agenda Items #31 & #32
5. Department of Social Services Contracts
6. Affordable Housing Task Force Contract – Leach Property
7. Campus Acreage – Sale Price

MOTOROLA EQUIPMENT

Robin James, Purchasing Agent, explained that General Statute 160A-271 allows the County to exchange a group of personal property after adoption of a resolution at its regular meeting, then publish a notice of intent to exchange property detailing the property and value. She stated that the final step is for the Board to confirm the exchange ten days after the notice; that the Board authorized the exchange at their October 02, 2006 Board of Commissioners’ meeting; that an ad was placed in the Chatham News and Record on October 05, 2006; that the steps of the General Statute have been satisfied and the last action is for the Board to confirm the exchange at the day’s meeting.

Commissioner Emerson moved, seconded by Commissioner Barnes, to confirm the exchange of obsolete Motorola radios for a group of six refurbished Motorola HT750 radios with Mr. Communications. The motion carried five (5) to zero (0).

ATC PANELS

The County Manager explained that Aconcagua Timber Corporation (ATC Panels) plans to expand their existing business and is requesting the financial incentives from Chatham County based on project investment and job creation; that they estimate investing approximately \$13 million in new

machinery and equipment that will create approximately twenty-five new jobs; that the investments will be comprised of two different projects: 1) A screening project which will improve the quality of the particleboard they manufacture; 2) The addition of a laminating facility to add value to their particleboard; that both projects should be fully operations by early 2007; that they are looking forward into an even further expansion in Moncure; that during the initial study, they learned that having sewer connection would be essential to further expansion; and that they are requesting consideration of an incentives package up to 60%. He explained that this matter would need to go to a public hearing

Commissioner Emerson moved, seconded by Commissioner Barnes, to schedule a public hearing on ATC Panels' incentives for November 06, 2006, with the hearing to be continued to the November 20, 2006 Board of Commissioners' night meeting, if needed, and the County Attorney to prepare the advertisement for the newspaper. The motion carried five (5) to zero (0).

SOIL AND WATER EASEMENT

A letter was received from Lynn Mann, Chairman of the Chatham Soil and Water Conservation District (CSWCD) asking for determination of the level of support that the County can provide to the CSWCD taking ownership of easements and title to land. It explained that when the district is able to secure funds along with an easement or real property, these funds need to be maintained so that they will earn interest and be available to cover cost associated with monitoring the property and if necessary, to help cover the cost of litigation and liability issues; that the basis, legislated authority, and purpose for taking on easements and title to property include: 1) The CSWCD is a department of Chatham County government; 2) The CSWCD has been offered a conservation easement; 3) The CSWCD Board has voted to investigate taking on easements; 4) Several North Carolina soil and water conservation districts are currently holding easements and real property including New Hanover and Polk Counties; 5) Land trusts and other organizations who are organized to hold easements and real property can not and will not accept all easements and property that is made available. Land trusts usually require significant funding to accompany any easement or property for which they take ownership; 6) some easements can only be held by a government entity. 7) NC General Statute gives conservation districts the authority to hold easements and real property.

The letter stated that they were also sending written correspondence to the NC Attorney General, the NC Department of Environment & Natural Resources, as well as the NC Conservation district Foundation, with inquiry seeking information and legal support for this district as they consider taking on easements and title to land. It further stated that Chatham County owns buildings and land and there is always risk of liability or general litigation; that the County may have a liability policy on these properties or choose to be self-insured; that in holding an easement, it appears that the likelihood of a liability issue is possible but is not likely; and that the CSWCD is looking forward to working with the County on this issue.

Bob Gunn, County Attorney, stated that he sees no significant liability issue arising from negligence or other tort liability from the County's owning such easements; that the ASCS asked if the County's liability insurance would cover any such liability or whether they would have to get a separate policy on that; that liability insurance is usually purchased to afford coverage for litigation that seeks monetary damages and litigation expenses; that as he foresees no significant risk of litigation resulting in monetary damages involved here, it is his opinion that no additional insurance coverage is required if the County takes on this program; that the statute gives the counties the power to administer agricultural easements; that he believes the main liability of the County would be the cost of administering the easement; that if the easement was accepted, the County would be under an obligation to make sure the appropriate restrictions are placed on the land; that these easements are placed on the land and must be administered in perpetuity; that if the County does assume this responsibility, depending on the number of easements it is responsible for, he can foresee that additional personnel might be required to insure that the easement and restrictions are being honored; that he does not feel that there would be significant liability on the part of the County from a litigation standpoint, although it could become necessary for the County to initiate litigation to enforce the easements if it could not get voluntary compliance.

Bob Gunn, County Attorney, informed the Board that as far as liability is concerned, he does not foresee any significant liability from negligence or retort standpoint; that they asked whether the County's liability insurance would cover it or whether they could get liability insurance; that he does not have an answer for that; that the Statute gives the counties the power to administer agricultural easements; that the main liability of the County would be in administering; and that if the easements is accepted, the County would be under an obligation for eternity to make certain that the covenants is placed on the land; that if the County owns the easement, it is possible that it might require another employee to make certain that the easements were being honored; that he cannot think of anything that would result in significant liability to the County by way of a lawsuit.

Commissioner Emerson moved, seconded by Commissioner Cross, to concur with the Chatham Soil and Water Conservation District's request and that the County Attorney oversee it to make certain that it is done in a sound manner. The motion carried five (5) to zero (0).

CLARIFICATION OF AGENDA ITEMS

The Board of Commissioners asked County Attorney Bob Gunn about the required procedure for the conditional use permit site plan to be revised.

Mr. Gunn advised that the Board may request revisions to the site plan or impose conditions without having to hold another public hearing if the changes are in response to issues raised during the quasi-judicial public hearing. He stated that typically there is no requirement for another hearing if the changes are to make the development less adverse or to have less impact on adjacent property owners.

DEPARTMENT OF SOCIAL SERVICES CONTRACT

Agreement to Use Pittsboro Swimming Association Property:

Renee Paschal, Assistant County Manager, distributed copies of the agreement with the Pittsboro Swimming Association for use of their property during construction of the Social Services Building. She explained the recommended changes by the County Attorney.

Commissioner Emerson moved, seconded by Commissioner Barnes to approve the agreement with the Pittsboro Swimming Association for use of property during construction of the Social Services Building, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

Camp Street Building:

Ms. Paschal explained that the old infirmary is located adjacent to the Department of Social Services (DSS); that it is called the Camp Street Building which has historically housed non-profit agencies which the County has made available free of charge; that the building has to be razed because of the condition of the building and to enlarge on-site parking; that the building has passed its useful life; that it houses CORA (local food bank), Chatham Together!, and Deep River Mediation; that the County is building a twenty-year building the Department of Social Services; that there will be space available in the existing DSS building to house two of the non-profits, Chatham Together! and Deep River Mediation; that if the food bank was to be moved into the building, the County would have to upgrade some on the systems, including electrical for a commercial freezer and refrigerator; that the plan is to lease space, free of charge to Chatham Together! and Deep River Mediation with the understanding that a lease will be signed which will guarantee them a certain number of years in the building to give them some assurance; that they know that they are in the County's "growth space"; that once the DSS staff needs to occupy the building, they would need to move elsewhere; that CORA cannot be moved into the space and has a very limited budget but provide a very vital service in the County; that approximately half of their referrals are to DSS; and that she would like to offer rental assistance to CORA for a period of five years once they have to vacate the premises. She stated that the County would pursue every avenue to find free space for their accommodations.

After considerable discussion, Commissioner Barnes moved, seconded by Commissioner

Emerson, to provide rental assistance to CORA for a period of five years once they have vacated their present premises, if needed. The motion carried five (5) to zero (0).

AFFORDABLE HOUSING TASK FORCE CONTRACT LEACH PROPERTY

Amy Powell stated that the Affordable Task Force has been communication with the Board of Commissioners regarding the use of the Briar Chapel funds for over a year; that they are at a stage where they are interested in acquiring property; that the four acres are located in Pittsboro; that in June, Briar Chapel donated \$100,000.00 to the County for the housing; that in negotiations with the landowners, they have arrived at a cost of \$85,000.00; that they estimate that it would yield 11-13 lots for affordable housing development. She explained the specifics of the contract. She stated that sometime in the future, the idea is that the County will donate the property to Chatham Habitat for Humanity; that they intend to apply for Federal Home Loan Bank of Atlanta funds which offer direct subsidy for affordable housing; that they have received funds from them in the past; that at one time, there was an emphasis on Hurricane Floyd recovery areas; and that additional points will be received for donated property from the bank.

Commissioner Cross explained that \$15,000.00 was for surveying and engineering and other things that have to be done; that it represents approximately 40% of what it is actually going to take; that at some point during the last year, the Board discussed the possibility of borrowing advanced Briar Chapel money from the County to continue the project; that when they were talking about the entire subdivision, they were thinking about borrowing up to one million dollars; that today they are talking about borrowing approximately \$25,000.00 more to complete what they need to do on this property; that it would be helpful to have a loan from the County for \$25,000.00 to be taken from Briar Chapel's next payment; that if they don't get it, they will either have to slow down or use Habitat for Humanity's contribution money. He stated that where the property is located, 3M sewage and water will run by the property so the street will be brought up to standards and paved by the Town of Pittsboro which will save them at least two hundred thousand dollars.

Chairman Morgan moved, seconded by Commissioner Cross, to approve the Agreement for Purchase and Sale for the Leach Property, attached hereto and by reference made a part hereof. The motion carried five (5) to zero (0).

CAMPUS ACREAGE – SALE PRICE

The County Manager explained that the Board had previously discussed the sale price of the Central Carolina Business Campus property. He distributed an original appraisal report from David Lawhon Appraisal, Inc. dated May 06, 2004 with an updated price for the remaining property as follows:

Site size less than 6 acres at \$30,000.00 per acre
Site size 6 to 10 acres at \$25,000.00 per acre
Site size over 10 acres at \$20,000.00 per acre

Chairman Morgan stated that after checking with surrounding counties, Mr. Lawhon stated that it was very hard to get comparisons because so many counties give property away to bring in tax dollars and create jobs; that other infrastructure, such as rail, will vary the price; that location will be the biggest factor; that at present, the County has approximately \$8,500,000.00 invested in the project; that approximately 380 acres remain; that approximately \$22,368.00 per acre is needed to break even; that if the price is set higher, it will appear that more is being given away if some property is used as an incentive; that he suggests the following listing price:

Site size less than 6 acres at \$40,000.00 per acre
Site size 6 to 10 acres at \$35,000.00 per acre

Site size over 10 acres at \$30,000.00 per acre

Chairman Morgan stated that he felt that it was very important to establish a price so that it can be posted on the State's commerce web site. He stated that at present, there were approximately three parties interested in locating on the campus.

After considerable discussion, Commissioner Barnes moved, seconded by Commissioner Cross, to list the sites with the Commerce Office and other agencies for \$40,000 per acre, large lots negotiable. The motion carried five (5) to zero (0).

Jennifer Nelson, Economic Development Administrative Assistant, informed the Board of the ground breaking ceremony to be held on November 03, 2006 for the new juvenile facility.

ZONING BOARD OF ADJUSTMENT

Commissioner Emerson moved, seconded by Commissioner Barnes, to recess as the Board of Commissioners. The motion carried five (5) to zero (0).

See minutes of the Zoning Board of Adjustment for action taken.

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REGULAR SESSION

Commissioner Emerson moved, seconded by Commissioner Barnes, to reconvene as the Chatham County Board of Commissioners. The motion carried five (5) to zero (0).

SOUTHEAST CHATHAM WATER DISTRICT BOARD

Commissioner Cross moved, seconded by Commissioner Barnes, to recess as the Board of Commissioners. The motion carried five (5) to zero (0).

See minutes of the Southeast Chatham Water District Board for action taken.

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REGULAR SESSION

Commissioner Barnes moved, seconded by Commissioner Cross, to reconvene as the Chatham County Board of Commissioners. The motion carried five (5) to zero (0).

APPOINTMENTS

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Agriculture Advisory Committee: Consideration of a request to appoint/reappoint a member to the Agriculture Advisory Committee by Commissioner Barnes (1)

Commissioner Barnes asked that this appointment be deferred until a later date.

Solid Waste Advisory Board: Consideration of a request to appoint a member to the Solid Waste Advisory Board by Commissioner Emerson (1)

Commissioner Emerson asked that this appointment be deferred until a later date.

MANAGER'S REPORTS

The County Manager had no reports.

COMMISSIONER REPORTS

Soil Survey Copies:

Commissioner Outz asked about the Soil Survey.

The County Manager stated that the survey was now available and that he would check to see if it could be placed on the County web site.

Water on Highway #15-501:

Commissioner Outz commented that he felt the water line placement on Highway #15-501 was moving slowly.

The County Manager stated that the specs were about finished and the projections for putting it out for bid should be done within approximately 45 days.

Central Carolina Community College Board of Trustees:

Commissioner Barnes stated that he had attended the Central Carolina Community College Board of Trustees annual retreat in Orlando, Florida; that it was a good retreat; that it was interesting to see how community colleges work in the rest of the country; that our community college system is extremely fortunate as it is run conservatively and it is well-run and well-managed; and that he received some ribbing from Harnett County as they are hauling lawn mowing equipment from Harnett County to Chatham County to mow the Chatham Campus lawn. He asked about the possibility of Chatham County entertaining the idea of purchasing a lawn mower for mowing the Chatham County campus.

The Assistant County Manager stated that she would investigate this matter.

Northwood Band Resolution:

Commissioner Emerson asked about preparing a resolution honoring the Northwood Band.

The County Manager stated that staff was looking into this matter.

Additional Partnering with ISP:

The County Manager explained that he had received a letter from Joel Brower, Siler City Town Manager, asking for consideration of a partnership of resources to assist with the proposed reuse project connected with ISP minerals and that when he received more information, he would return to the Board.

ADJOURNMENT

The Chairman adjourned the Work Session at 4:37 PM.

Bunkey Morgan, Chairman

ATTEST:

Sandra B. Sublett, CMC, Clerk to the Board
Chatham County Board of Commissioners