

Cleveland County Board of Commissioners
August 1, 2023

The Cleveland County Board of Commissioners met on this date at the hour of 6:00 p.m. in the Commission Chambers of the Cleveland County Administrative Offices.

PRESENT: Kevin Gordon, Chairman
Ronnie Whetstine, Vice-Chair
Johnny Hutchins, Commissioner
Doug Bridges, Commissioner
Deb Hardin Commissioner
Tim Moore, County Attorney
David Cotton, County Manager
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Allison Mauney, Human Resources Director
Martha Thompson, Deputy County Attorney
Jason Falls, Business Development Director
Scott Bowman, Maintenance Director
Betsy Harnage, Register of Deeds
Sherry Lavender, Tax Assessor
Clifton Philbeck, Board of Elections Director
Colt Farrington, Building Inspections Director
Chris Martin, Planning Director
Tiffany Hansen, Health Department Director
Rebecca Johnson, Interim Social Services Director
Sandra Orvig, Foothills Shooting Complex Director

CALL TO ORDER

Chairman Gordon called the meeting to order, and Business Development Director Jason Falls led the audience in the Pledge of Allegiance and provided the invocation.

AGENDA ADOPTION

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Hutchins and unanimously adopted by the Board to, ***approve the agenda as presented.***

SPECIAL PRESENTATION

YOUTH VOICE

Chairman Gordon recognized Cleveland County 4-H member Alexa Berlage. Ms. Berlage is an East Lincoln High School sophomore and has participated in Cleveland County 4-H for the last six years. She spoke about lessons attained through various 4-H projects, such as the dairy/steer project, turkey project, and shooting sports. These programs taught Ms. Burlage the value of participating in her community's growth and development. She wants to use the skills attained to continue positive development in her 4-H Club by sharing what she has learned with others. Through the skills acquired on her family's farm and the 4-H Club, Ms. Berlage will continue her education and become a Doctor of Veterinary Medicine. Commissioners thanked Ms. Burlage for her presentation and gave her best wishes on her future accomplishments.

CITIZEN RECOGNITION

Eric Newton, 2220 Curt Ledford Rd, Lawndale – spoke about the area between Casar and Fallston Volunteer Fire Departments. This area receives unfavorable Insurance Service Office (ISO) rankings. He explained ranking placement affects insurance rates for homeowners and businesses. Improved ISO rankings in that area would lower insurance costs for the residents.

Suzanne Blanton, 1735 Linton Barnett Dr, Shelby – spoke about the lack of a spay/neuter clinic in Cleveland County. She praised the rescue efforts of Clifford's Army Rescue and suggested the County partner with the organization for the betterment of animals in Cleveland County.

Robert Williams, 814 E. Stagecoach Trl, Fallston – spoke about his dislike for the county's modified public comment policy.

Maggie Watson, 127 Carroll Dr., Cherryville – spoke about her concerns with Animal Services policies, procedures, and management. She stated the shelter should do better with intake, licensing, vaccinations, low-cost spay/neuter clinics, and community engagement.

Neil Blanton, 702 W. Sumter St, Shelby – spoke about the importance of animal licensing in Cleveland County.

BJ Zamora, 504 Country Club Acres, Shelby – spoke about her concerns with Animal Services, echoing previous comments regarding management, policies, procedures, and enforcement.

Ginger Bullock, 119 Laurel Ridge Drive, Cherryville – spoke about her concerns with Animal Services regarding intake management, procedures, and customer service.

CONSENT AGENDA

FINANCE DEPARTMENT: BUDGET TRANSFER SUMMARY

As required by North Carolina General Statute §159-15, all internal transfers shall be submitted to the Board of Commissioners. The budget transfer summary from July 1, 2023 through July 20, 2023 is included in Commissioner packets.

ACTION: Commissioner Hardin made a motion, seconded by Commissioner Whetstine, and passed unanimously by the Board to, *approve the budget transfer summary as presented.*

BUDGET TRANSFERS LEGEND: D = DEPARTMENTAL; L = LATERAL

BUD #	BUDGET TYPE	DATE SUBMITTED BY DEPT	DEPT #	DEPT TO NAME	DEPT #	DEPT FROM NAME	EXPLANATION	BUDGET AMOUNT
1745	D	7/4/2023	065.981	Health Plan			Move funds to cover contracted services	\$ 20,250.00
1746	D	7/5/2023	010.441	Sheriff's Office			Move funds to cover equipment repairs	\$ 2,500.00
1747	D	7/5/2023	054.473	SW Landfill			Move funds to cover controlled property exp	\$ 2,978.00
1748	D	7/6/2023	010.418	Board of Elections			Move funds to cover controlled property exp and license/permit/certs	\$ 3,840.00
1749	D	7/11/2023	054.474	SW Manned Sites			Move funds to cover dues/subscriptions	\$ 5,000.00
1750	D	7/10/2023	010.441	Sheriff's Office			Move funds to cover contracted services	\$ 32,587.00
1751	D	7/12/2023	010.441	Sheriff's Office	010.998	Contingency	Transfer funds to cover capital equipment (1/2 cost)	\$ 26,825.00
1752	D	7/13/2023	010.445	Emergency Management			Move funds to cover utilities	\$ 186.00
1753	L	7/13/2023	010.450	Building Inspections	010.426	Maintenance	Transfer funds to cover capital equipment	\$ 39,846.00
1754	D	7/13/2023	010.426	Maintenance			Move funds to cover controlled property exp	\$ 10,000.00
1755	D	7/13/2023	010.492	Economic Development			Move funds to cover maint contracts-equip	\$ 2,100.00
1756	D	7/13/2023	010.495	Cooperative Extension			Move funds to cover maint contracts-equip	\$ 100.00
1757	D	7/13/2023	010.611	Library			Move funds to cover maint contracts-equip	\$ 1,533.00
1758	D	7/14/2023	010.450	Building Inspections			Move funds to cover capital equip	\$ 2,524.00
1759	D	7/19/2023	054.474	SW Manned Sites			Move funds to cover contracted services	\$ 140.00
1760	D	7/19/2023	060.650	Workers Compensation			Move funds to cover insurance fees	\$ 8,100.00
1761	D	7/20/2023	060.651	Property/Liability			Move funds to cover in house auto claims	\$ 50,000.00

LIBRARY: BUDGET AMENDMENT (BNA #002)

ACTION: Commissioner Hardin made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, *approve the following budget amendment:*

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
010.611.4.810.07		Library/Donations Special Blanton	\$20,000.00	
010.611.5.790.07		Library/Donations Special Blanton	\$20,000.00	

Explanation of Revisions: Budget allocation for \$20,000 in donated funds from the Friends of the Library to purchase supplies and materials for the Book Mobile.

FINANCE DEPARTMENT: BUDGET AMENDMENT (BNA #003)

ACTION: Commissioner Hardin made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, *approve the following budget amendment:*

<u>Account Number</u>	<u>Project Code</u>	<u>Department/Account Name</u>	<u>Increase</u>	<u>Decrease</u>
060.651.4.840.00		Property-Liability/Insurance Settlement	\$31,105.00	
060.651.5.910.00		Property-Liability/Capital Equipment	\$31,105.00	

Explanation of Revisions: Budget allocation for \$31,105 for budget Insurance Settlement. Funds will be used to purchase a replacement vehicle.

TAX ADMINISTRATION: LATE APPLICATIONS FOR EXEMPTION/EXCLUSION/DEFERRAL

Per North Carolina General Statute §105-282.1, every owner of property claiming exemption or exclusion from property taxes under the provisions of this Subchapter has the burden of establishing that the property is entitled to it. Upon a showing of good cause by the applicant for failure to make a timely application, an application for exemption or exclusion filed after the statutory deadlines may be approved by the Department of Revenue, the Board of Equalization and Review, the Board of County Commissioners, or the governing body of a municipality, as appropriate. All of the applications would have been approved by the Tax Assessor if they had been filed on time.

State of North Carolina
Cleveland County

**ORDER OF THE BOARD OF COUNTY COMMISSIONERS
IN ACCORDANCE WITH G.S. 105-373, G.S. 105-321 AND 105-330.3**

TO: SHERRY LAVENDER, Tax Administrator

TO: NECOLE' RICHARD, Tax Collector

You are hereby authorized, empowered, and commanded to collect the taxes remaining unpaid as set forth in the 2013 through 2023 tax records filed in the office of the Cleveland County Tax Collector, and in the tax, receipts herewith delivered to you in the amounts and from the taxpayers likewise therein set forth. You are further authorized, empowered, and commanded to collect the 2013 through 2023 taxes charged and assessed as provided by law for adjustments, changes, and additions to the tax records and tax receipts delivered to you which are made in accordance with law. Such taxes are hereby declared to be a first lien on all real property of the respective taxpayers in Cleveland County. This order shall be a full and sufficient authority to direct, require, and enable you to levy on and sell, any real or personal property, and attach wages and/or other funds, of such taxpayers, for and on account thereof, in accordance with law.

You are further authorized to call upon the Sheriff to levy upon and sell personal property under execution for the payment of taxes.

Within available funds in the budget ordinance and personnel positions established, the Tax Collector may appoint employees and they have authority to perform those functions authorized by the Machinery Act of Chapter 105 of North Carolina General Statutes and other applicable laws for current and previous years' taxes.

WITNESS my hand and official seal, this the 1st day of August 2023


KEVIN GORDON, CHAIRMAN, BOARD OF COMMISSIONERS OF
CLEVELAND COUNTY

ATTEST:


PHYLLIS NOWLEN, CLERK TO THE BOARD OF COMMISSIONERS OF CLEVELAND
COUNTY



PLANNING DEPARTMENT: REQUEST TO SET A PUBLIC HEARING FOR TUESDAY, SEPTEMBER 5, 2023, FOR CASE 23-18; REQUEST TO REZONE PROPERTY AT 106 DRUM ROAD FROM RESIDENTIAL (R) TO NEIGHBORHOOD BUSINESS-CONDITIONAL USE (NB-CU) FOR A TELECOMMUNICATIONS TOWER

Parcel 48317 is 0.79 acres at 106 Drum Road, off Joe's Lake Road, east of Pinnacle Classical Academy in Shelby. The applicants, Paul and Darla Wyatt, have requested to rezone the property for the placement of a cell tower. The surrounding zoning is Residential (R) near Drum Road and Restricted Residential (RR) south along Joe's Lake Road. Surrounding uses are mostly residential along Serenity Drive and Joe's Lake Road. There is a motorcycle repair shop on Drum Road.

ACTION: Commissioner Hardin made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, ***approve setting the public hearing as requested.***

PUBLIC HEARINGS

PROJECT SUNRISE

Chairman Gordon recognized Deputy County Attorney Martha Thompson to present Project Sunrise. Per North Carolina General Statute §158-7.1, local governments may acquire and develop real property for the purpose of economic development. Local governments are required to approve the sale of real estate acquired for economic development purposes when selling a property, statutes require that the Board of Commissioners determine two factors: an average hourly wage to be paid to workers by the business to be located at the property and the fair market value of the property.

Cleveland County originally purchased property located east of Leadership Drive in 2011 for the purpose of economic development. The property has been actively marketed for economic development. Project Sunrise has agreed to buy the property and all appurtenant rights for \$22,500.00 per acre of land (fair market value). The amount per acre is based upon a market analysis prepared by Scott W. Hadley of Lee & Associates Raleigh Durham LLC. The conveyance is subject to the condition that within 270 days following closing. The purchaser shall commence vertical construction of a portion of the Facility. If the purchaser defaults by failing to commence vertical construction as required, and fails to cure such default within sixty (60) days after receiving written notice of default from the Seller, the Seller may, in its sole discretion, repurchase the property from the Purchaser for the purchase price.

Project Sunrise wants to purchase the property to construct an industrial facility to manufacture composite external insulation products for power transmission and distribution. The company employs over 1,700 associates worldwide, operating in approximately a dozen countries. The company anticipates that its total capital investment over the next five years will be approximately \$118,254,425. Investment in Real Property is estimated at \$67,954,425 and Personal Property is estimated at \$50,300,000. During that five-year period, the company plans to create 134 new jobs with an average annual salary of \$45,770 plus benefits. The new capital investment that Project Sunrise will be making in Cleveland County will generate new tax revenue and positively impact the county's local tax base.

Ms. Thompson introduced Jim Wrenn from Smith Anderson, who is representing the Purchase Agreement for Project Sunrise. Mr. Wrenn presented the following information and PowerPoint to the Commissioners.

SMITH ANDERSON

Project Sunrise
Real Estate Purchase Agreement
Cleveland County Board of Commissioners Meeting
August 1, 2023

Presented by: Jim Wrenn

EXPECT EXCELLENCE®

Overview - Sale of Real Estate & N.C.G.S. § 158-7.1

Per N.C.G.S. § 158-7.1, local governments may acquire, develop, and/or sell real property for the purpose of economic development.

Action Items:

- Consider approval of sale of land consisting of approximately 107 acres located east of Leadership Drive in Shelby, North Carolina to Project Sunrise.
- Determine (1) the probable average hourly wage to be paid to workers by the business to be located at the property; and (2) the fair market value of the interest, subject to the repurchase option as required by N.C. Gen. Stat. §158-7.1(d).

The Property

- Two parcels east of Leadership Drive, off Farmville Road
- Purchased by the County in 2011 for the purpose of economic development
- Using comparable land sales, Lee & Associates performed a market analysis and expected the Property to sell at \$22,500 per acre

Project Sunrise

Project Sunrise would like to purchase the Property to construct an industrial facility for the manufacturing of composite external insulation products for power transmission and distribution.

The Company employs over 1,700 associates worldwide with operations in approximately a dozen countries.

The Company's anticipated total capital investment over five years will be approximately \$118,254,425.

- Investment in Real Property: \$67,954,425.
- Investment in Personal Property: \$50,300,000.

During that five-year period, the company plans to create 134 new jobs.

The estimated average annual wage is \$45,770 (\$22.00/hr).

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Real Estate Purchase Agreement: Key Terms

Purchase Price: \$22,500.00 per acre of the Land (prorated for any partial acres in the Land, and excluding any Land dedicated for public use as part of any subdivision).

Incentives

- The Company must obtain economic development incentives from the State, the County, and the City of Shelby.
- Part of the County & City incentives will be \$3,590,400.00 to be used to offset the costs of clearing and grading the site.

Repurchase Option. Subject to certain conditions, if the Company fails to commence vertical construction within 270 days following Closing, the County may repurchase the Property from the Company for the Purchase Price.

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Recommended Action Items

Approve the sale of land of the Property to Project Sunrise.

Determine that the probable average hourly wage to be paid to workers by the Company is: **\$22.00 per hour.**

Determine that the fair market value of the interest, subject to the repurchase option described below, is: **\$22,500 per acre.**

EXPECT EXCELLENCE® SMITH ANDERSON

Chairman Gordon opened the Public Hearing at 6:42 pm for anyone wanting to speak for or against Project Sunrise. (*Legal Notice was published in the Shelby Star on Friday, July 21, 2023*).

Robert Williams, 814 E. Stagecoach Trl, Fallston – spoke in opposition to Project Sunrise, stating he did not understand the contract terms and calculations that were presented.

Hearing no further comments, Chairman Gordon closed the Public Hearing at 6:44 pm.

Chairman Gordon opened the floor to the Board for comments and questions. Commissioner Hutchins spoke about Project Sunrise's positive impacts on Cleveland County moving forward.

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously approved by the Board to, ***approve the Sale of the Property to Project Sunrise, with determinations that (1) the probable average hourly wage to be paid to workers shall be \$22.00 and (2) the fair market value of the property is \$22,500.00 per acre of land (prorated for any partial acres, and excluding any land dedicated for public use as part of any subdivision).***



Resolution

17 - 2023

Resolution Authorizing Sale of Real Property for Economic Development

WHEREAS, North Carolina General Statute 158-7.1 authorizes a county to undertake an economic development project by conveying property to a company in order to cause the company to locate or expand its operations within that county; and

WHEREAS, Cleveland County is the owner of that certain property located east of Leadership Drive, described at Deed Book 1625, Page 163, Cleveland County Registry (for further reference see Cleveland County Tax Parcel Number 32196, PIN 2528520653) and that certain property described at Deed Book 1626, Page 1244, Cleveland County Registry (for further reference see Cleveland County Tax Parcel Number 61941, PIN 2528338005) (collectively, the "Property"); and

WHEREAS, Cleveland County and Project Sunrise have engaged in private negotiations for the conveyance of the Property, to the end that Project Sunrise may construct an industrial facility for the manufacturing of composite external insulation products for power transmission and distribution, and have reached a tentative agreement on the term for conveyance; and

WHEREAS, the Board of Commissioners of Cleveland County has held a public hearing to consider whether to approve the conveyance of the tract to Project Sunrise;

THEREFORE, THE BOARD OF COMMISSIONERS OF CLEVELAND COUNTY RESOLVES THAT:

- The chairman of the Board of Commissioners is authorized to execute the necessary documents to convey the Property to Project Sunrise.
- The conveyance of the Property to Project Sunrise will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs in Cleveland County. The probable average hourly wage at the facility to be constructed by Project Sunrise is \$22.00, which is above the current median hourly Cleveland County. This determination of the probable average hourly wage at the facility is based upon materials provided to the County and the Economic Development Partnership of North Carolina by Project Sunrise.

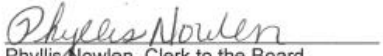
3. The fair market value of the Property, subject to the covenants and conditions associated with the Property, is \$22,500.00 per acre of land (prorated for any partial acres, and excluding any land dedicated for public use as part of any subdivision, and as such acreage is finally determined by a survey). This determination of fair market value is based upon a market analysis of the Property prepared by Scott W. Hadley of Lee & Associates Raleigh Durham LLC, a copy of which is on file in the Office of the County Manager. This determination of fair market value is based upon the sales prices of comparable tracts of land in Cleveland County, as reported to the Board of Commissioners.

4. As consideration for the conveyance of the Property, Project Sunrise has agreed to pay fair market value for the Property, and construct on the Property an industrial facility for the manufacturing of composite external insulation products for power transmission and distribution. A copy of the Real Estate Purchase Agreement is attached to this resolution. The consideration for the conveyance of the Property is not less than the fair market value of the Property.

Adopted this 1st day of August 2023.


Kevin Gordon, Chairman
Cleveland County Board of Commissioners

ATTEST:


Phyllis Nowlen, Clerk to the Board
Cleveland County Board of Commissioners



BOARD APPOINTMENTS

CLEVELAND COUNTY PLANNING BOARD

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, *to reappoint Noah Saldo* to serve as a member of this board *for a three-year term, scheduled to conclude June 30, 2026.*

CLOSED SESSION

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Whetstine and unanimously adopted by the Board, *to go into closed session per North Carolina General Statute §143-318.11(a)(1) and (a)(6) to prevent the disclosure of information that is privileged or confidential pursuant to the law of this State or of the United States, or not considered a public record within the meaning of Chapter 132 of the General Statutes and to consider the qualifications, competence, performance, character, fitness, conditions of appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee and pursuant to North Carolina General Statute § 143- 318.11 (a)(3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged. The public body may consider and instruct an attorney concerning the handling or settlement of a claim, judicial action, mediation, arbitration, or administrative procedure. (Copy of closed session Minutes are sealed and found in the Closed Session Minute Book).*

RECONVENE IN REGULAR SESSION

Chairman Gordon stated, *“The Board is in open session. During the closed session, the Board gave direction to staff regarding a personnel matter, and the Board consulted with and gave direction to legal counsel regarding handling a claim.”*

ADJOURN

There being no further business to come before the Board at this time, Commissioner Hardin made a motion, seconded by Commissioner Whetstine and unanimously adopted by the Board, *to adjourn.* The next meeting of the Commission is scheduled for *Tuesday, September 5, 2023 at 6:00 pm* in the Commissioners’ Chambers.

*Kevin Gordon, Chairman
Cleveland County Board of Commissioners*

*Phyllis Nowlen, CMC, NCCCC
Clerk to the Board
Cleveland County Board of Commissioners*