

**STATE OF NORTH CAROLINA  
COUNTY OF AVERY**

The Avery County Board of Commissioners met in a Regular Session on Monday, February 3, 2014 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Kenny Poteat, Chairman; Glenn Johnson, Vice Chair; Phyllis Forbes; Reo Griffith; Martha Hicks

Members Absent: None

**Call To Order**

Chairman Poteat called the meeting to order at 3:30 p.m.  
Martha Hicks led prayer.

**Public Comments**

Faith Lacey spoke concerning the Avery Cares Building. Ms. Lacey stated that she would like to see an employee hired to keep the Avery Cares Building open. We definitely need this with the drugs in our county. I would like to make the request now and see if the Board can find some money for this.

Chairman Poteat asked Ms. Lacey to get some numbers together and get them to the County Manager or Finance Officer by March.

Greg Gardner stated that in last week's Mitchell paper was an article regarding a resolution that the Mitchell County Board of Commissioners had adopted requesting that the North Carolina Department of Transportation not use the liquid salt on the roads in Mitchell County. The Mitchell County Board of Commissioners passed a similar resolution in 2006 but the NC DOT officials recommended that the county adopt an updated version. It said Mitchell County had been sprayed 6 times in the last few years but a change in administration has caused the liquid salt to be used more often. I am asking the Board to consider passing a similar resolution especially after damage to county vehicles and personal vehicles.

Chairman Poteat stated that a few years back the Board had a meeting with the DOT officials and made the same attempt verbally. I think this is a worthy cause and I would ask that the County Manager speak with Chuck Vines, Mitchell County Manager and see the position that Mitchell County has taken.

**Consensus of the Board for the County Manager to research this issue.**

There were no further public comments.

Chairman Poteat announced that Sam Ray had celebrated a birthday yesterday.

Martha Hicks stated that she and some other commissioners had attended the 2014 Farm City Banquet and the Farm Family of the year was June and Ellendore Horney.

**Board Appointments**

**Avery County Joint Community Advisory Committee**

Robert Wiseman, County Manager, stated that Mr. Jerome Clapp's term on the Avery County Joint Community Advisory Committee will expire on February 7, 2014. He has indicated his desire to be reappointed and I would strongly advise his reappointment.

**Motion by Phyllis Forbes and second by Martha Hicks to reappoint Mr. Jerome Clapp to the Avery County Joint Community Advisory Committee. Motion unanimously approved.**

**Avery County Agricultural Advisory Board – Ann Coleman**

Ann Coleman, Chairman of the Agricultural Advisory Board, stated that Mr. Jack Wiseman, Jr and Paul O'Connell have indicated their desire to be reappointed to the Avery County Agricultural Advisory Board for three year terms.

**Motion by Glenn Johnson and second by Martha Hicks to reappoint Jack Wiseman, Jr. and Paul O'Connell to the Avery County Agricultural Advisory Board for a three year term. Motion unanimously approved.**

Chairman Poteat said that the Board greatly appreciated the willingness of people to serve on the different committees.

Chairman Poteat announced that if anyone would like to speak to an agenda item but they are not part of the printed agenda, they must sign up on the sheet with the clerk.

#### **High Country Regional Bike Plan – Phil Trew**

Phil Trew advised that the High Country Council of Government contracted with NC Department of Transportation to do a seven county regional bike plan. A steering committee was set up comprised of members appointed by the seven boards of commissioners in the region. Avery County appointed Ted Silver, Doug Owen and Bret Gardella. The plan basically has two major components. The first one is recommendations for specific improvements to roads throughout the region to make cycling safer by adding bike lanes or wider outside shoulders. This is long term recommendations for improvements. There were some changes made in the Town of Newland. This is a plan that does not have funding behind it. This is not a plan that anyone is going to come and make these improvements unless the county requests it. The other part of the plan includes recreational routes. Mr. Trew requested that the Board approve this plan.

Rachel Deal stated she wanted to speak as a citizen and a person that is on the comprehensive planning committee for Avery County. My concern is that if we don't consider the plan at this point we won't have a chance later if this comes up.

Ann Baker said that it is amazing that we have this opportunity to look 30 years out. This is going to be a part of our tourism from here on out. My husband is a biker and I am interested in his safety. I would like to see a plan happen.

Reo Griffith questioned what legal obligation would Avery County have if this is approved today.

Phil Trew answered that this plan is a tool to request DOT for funding and request these improvements as the county sees fit. There is no obligation of funding or no time schedule associated with the plan.

Glenn Johnson questioned how many counties were involved in this plan. Phil Trew stated that there were seven counties involved in this plan. Glenn Johnson asked how many counties had approved this plan. Mr. Trew answered that six counties had approved the plan. Glenn Johnson stated that we are all concerned about safety and we are looking at a major safety issue. This plan is not costing us anything and is not binding to Avery County in anyway. Mr. Johnson pointed out an article in the National Association of Counties magazine regarding the regional bike plan.

Phyllis Forbes stated that the bike lanes would be a good help. We are going to have cyclist coming from now on because we have great weather and great terrain for people. I think this plan is a way to look forward and plan for the future for Avery County.

Reo Griffith said as far as entertaining the proposal, as long as this Board and Avery County is not obligated to one penny of money for this to continue would be the "kicker here".

Mr. Trew stated that the plan would be published once the document has been approved and would be distributed.

**Motion by Phyllis Forbes and second by Martha Hicks to approve the High Country Regional Bike Plan as presented with the updated version regarding the Town of Newland. Motion unanimously approved.**

#### **North Toe Partnership – Jonathon Hartsell**

Jonathon Hartsell with the Blue Ridge Resource Conservation and Development Council which is a nonprofit that works in seven counties of North Carolina---Avery, Mitchell, Yancey, Wilkes, Watauga, Ashe and Alleghany spoke regarding the North Toe Partnership. We do land and water conservation projects as well as economic development projects. Today I want to talk to you about a project that is focused in the North Toe Watershed where we need to improve the water quality there. In 2011 a large stakeholder meeting came together and was composed of folks from Avery, Mitchell and Yancey counties. One of the things that came out of that meeting was the need for a large scale watershed project. In 2012, Blue Ridge RC&D got a grant from the US EPA to work on this project. One thing I want to make clear is that this project is purely voluntary for people who want to participate. It is not about raising regulations. It is whoever wants to participate in improving water quality. There are four major objectives of the watershed. The first objective is the watershed assessment. A firm was hired out of Asheville and basically they go out in the watershed and drive around and sometimes float down it and walk and take notes on the condition of the watershed and identify any areas that are having problems. The main focus of this objective is turbidity. The second objective is to take the information we learn

from the assessment and write a watershed action plan. That basically details the watershed, identifies problems and makes a priority of projects that we could reach out to and maybe work on. The third objective is stream stabilization and storm water issues. The final objective is education outreach. We are working with schools, industry and businesses, and landowners. This is the overview of the project. We have a map of the North Toe Watershed that we will be sharing with the schools.

Chairman Poteat questioned about the term "straight piping" and if this had been greatly decreased from what it once was in this area. Mr. Hartsell answered that originally "straight piping" was the number one cause of pollution and now laws have been passed to greatly reduce that. Mr. Hartsell stated that now the number one source of pollution was from runoff from parking lots, gravel driveways, etc.

Glenn Johnson questioned if there had been any research about the salt that is being put on the roads if this affected the waterways. Mr. Hartsell said that he did not have any new information but a study had been done several years back from a professor at Western Carolina.

#### **Tax Administrator Report – Phillip Barrier**

##### **Tax Collections Report**

The total Tax Collections for the month of January 2013 was \$3,171,375.44.

**Motion by Martha Hicks and second by Phyllis Forbes to approve the total Tax Collections for the month of January 2013 as presented. Motion unanimously approved.**

Mr. Barrier explained that in February of each year it is the Tax Administrator's responsibility to report to the Board of Commissioners the total amount of unpaid taxes on real property for 2013. As of this morning with interest for 2013, there is still \$1,713,823.34 due in unpaid taxes. The reason I report this today is upon receipt of this report the governing body must order the tax collector to advertise these as tax liens. As soon as that is approved, we will start to advertise.

**Motion by Martha Hicks and second by Glenn Johnson to advertise the tax liens for 2013. Motion unanimously approved.**

##### **Regular Releases**

The total Regular Releases for the month of January 2013 is \$891.41.

**Motion by Glenn Johnson and second by Phyllis Forbes to approve the total Regular Releases for the month of January 2013 as presented. Motion unanimously approved.**

##### **Motor Vehicle Releases**

The Motor Vehicle Releases for the month of January 2013 is \$567.11.

**Motion by Martha Hicks and second by Phyllis Forbes to approve the Motor Vehicle Releases for the month of January 2013 as presented. Motion unanimously approved.**

#### **Resolution Regarding Board of Equalization and Review for 2014**

Mr. Barrier stated that the Board needed to adopt a special Board of Equalization and Review and this starts the process. We will advertise for people to fill those positions and the names will be brought to the Board in March. This Board is comprised of 5 members and an alternate. The Board will be appointed at the March meeting and the meetings will begin on April 7<sup>th</sup>, 2014.

**Motion by Phyllis Forbes and second by Martha Hicks to approve the Resolution Regarding the Special Board of Equalization and Review for 2014. Motion unanimously approved.**

##### **Real Property Sales**

Because of the revaluation, the month of January sales reveals the tax sale amount is \$2,764,000 and the tax value amount is \$2,696,000. Now that we have done the revaluation the sales are a little bit more than the tax value so there has been a leveling out.

#### **Finance Officer Report – Tim Greene**

Tim Greene, Finance Officer, explained that the auditor for the fiscal year needed to be appointed. I would like to request the Board to make a motion to approve Young, Miller, and Gillespie to audit financial statements for the County of Avery as of and for the year ending June 30, 2014. The audit will begin sometime in July and a report will be issued no later than October 31, 2014 at a price not to exceed \$34,000. This does include the Fire Commission Audit. There is no increase from the prior year.

Reo Griffith recused himself from voting due to a close family member that works for the audit firm.

**Motion by Glenn Johnson and second by Martha Hicks to employ Young, Miller and Gillespie for the fiscal year 2013/2014 with four members voting. Motion unanimous with those eligible to vote (4-0).**

**County Manager Updates – Robert Wiseman**

Board Retreat

The Board had a retreat last week which was very productive. There were seven or eight issues that I need to work on and get up with the attorney about.

Courthouse Renovation

I have a meeting scheduled tomorrow with the construction management firm to discuss furniture, fixtures and equipment for the courthouse.

Banner Elk Convenience Site

I have been looking into the convenience center location in Banner Elk to see what options I have there but I have not had any direct contact with the property owners at this point. I think it is a very feasible solution. I will keep working on that.

Probation and Parole Services

The contractor says we are two weeks behind with the renovation at the courthouse but I would say a month.

Linville Cove

The CDBG grant which funded 100% of the \$200,000 for the installation of utilities for Linville Cove has been closed out.

**Recess**

Chairman Poteat called for a brief recess.

Chairman Poteat declared the meeting to be back in session after a brief recess.

**Public Hearing Regarding Authorizing Expenditure of Public Funds to Install Heating Systems in AC PRIDE**

Chairman Poteat stated that this is a public hearing and you do not have to sign up on a sheet to speak. Time could be dictated according to how many people would like to speak.

Chairman Poteat read aloud the public notice which stated:

*The Avery County Board of Commissioners will hold a Public Hearing on Monday, February 3, 2014 at 5:00 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC 28657. The purpose of the Public Hearing is to receive public comment regarding authorizing the expenditure of public funds to install heating systems in those spaces designated as Unit 5 and Unit 6 in the economic development project known as AC Pride, a business incubator, located on that property owned by the County of Avery, tax parcel #1859-1820-8290, and of record in Book 460 Page 2393 of the Avery Registry.*

**Motion by Martha Hicks and second by Phyllis Forbes to go out of Regular Session and into a time of Public Hearing regarding Authorizing Expenditure of Public Funds to Install Heating Systems in AC PRIDE at 5:00 p.m. Motion unanimously approved.**

Bret Gardella, Economic Development Director, stated that it was important to note that in only 90 days of being in the incubator there are two more businesses that will be coming in. One of them is Custom Designs. Pilar Harding is the owner and operator of the business. It is creating a job here in Avery County. She has been working out of her house from Watauga. The other business that needs help is a distressed business which is Highland Pro Clean. They do have an operation based in Newland and they are not leaving that site. They are going to take on additional expense to come to the incubator in an office because they don't want only to save their business but grow their business. We can educate them and help them with their marketing. The reason the heating units is important is that we have had a pretty hard winter so far. To get in and build out the spaces they need heat in them, paint won't dry and carpet is going to need to be put down so we need to get the units in place so we start heating the units. It is my understanding by the gentleman that is putting these in that he can get these units in by the end of the week. The urgency is great so that we can get the heating units in and the businesses can build out their spaces and get the leases approved in two weeks so they can be in business. We have one of these Mitsubishi mini-splits in one of the current businesses Bear Real Estate right now. We have had

challenges in the hallway because of the insulation and heating the other two spaces is going to help with heating the common areas.

Chairman Poteat asked what the approximate cost of the heating units would be. Mr. Gardella stated that each unit is \$3850.00 and the electric has to be run to them with that running about \$1250.00. The electrical is going to cost a little more because the contractor said that the conduit needed to be run for the other two spaces and this will save money in the future. Total capital outlay would be \$8942.56. This is for both units and the electrical.

Martha Hicks stated that when she was up there several times during the cold spell it was amazing the temperature that it was in the office space. Ms. Hicks questioned what the temperature was set on. Mr. Gardella stated that it was set from 59 to 62 degrees and the space maintains 72 to 74 degrees.

Junior Sluder, Newland citizen, stated "it is foolish for me to come up and talk because this Board has already said it is a "done deal". I wondered why in the past with all of this study going on and the budget set that we can't go by that. I just want to say one thing if the fire department comes up and the trucks have gone up \$400,000 we can come before you and say that we didn't look at this. Just remember when you spend taxpayer's money for extra things it is costing. I read in the paper \$50.00 for utilities. I wish someone would help me that much in utilities for my house. I know that we want to expand businesses and get all the businesses we can. You all said that this was strictly for new businesses and not expanding businesses. We have open spaces in Banner Elk and Newland that we could have private enterprise to furnish those spaces. For the county to be in business like that, I have my doubts. How many more heaters are you going to have to have?"

Chairman Poteat answered that this would be determined by the amount of spaces that would be rented out in the future.

Mr. Sluder stated "so in the future we are going to spend all the money that we are going to get the first year for heat and after the first year the businesses are going to move out. Just remember when the budget was set up this should have been included. I thought that you all put in air condition over there and heat. I don't know anything but what I read or you tell me. I can't understand you spending \$9000.00 for two heaters. How many spaces do we have?" Mr. Gardella answered that there were 17 to 20 depending on the size of the space rented. Mr. Sluder said "so this is going to be \$100,000 you are going to make budget amendments and I think stuff like this should come in the beginning of the year. I know it is a "done deal", it will go because it is a "done deal"."

Chairman Poteat stated "Just one word and no disrespect to you Mr. Sluder but I have been sitting here 20 years and I personally have never had a "done deal". I listen and base my decision on the merit of what comes before me that day. Under the word "done deal", I would have to beg homage on that."

Kaye Hughes, Avery County citizen, stated "I have concerns about this whole concept. It seems to me that the rules keep changing. Like Mr. Sluder said what I was hearing is it is for new businesses. I have nothing against Highland Pro Cleaners but they are certainly not a new business. I don't think you can keep adjusting the rules. This incubator will never be a success. The county will be putting money into it that can be better spent. If you want to encourage new businesses it seems to me that there are other ways to do it like some sort of a tax incentive. Let the person go in Newland or Banner Elk and rent from a private person. The county has no business into this. I feel like I am talking to hear my head roar because I feel like you are dug into this and there is no changing your mind. Please reconsider this whole concept. It is just a burden on the county. If you look at all levels of government, they are in financial trouble as it is. If I was going to start a business I would jump on this in a heartbeat \$350.00 and have all of my utilities and everything included. Obviously, there is not that many jumping on it that we have to get a business interested that has been in business for years in Avery County. Please think of this. Would you invest your personal money in a project like this? I don't think so."

There were no further public comments.

Reo Griffith stated "Nobody in this audience wonders what my stand is. I have made it clear for months. The real goal should be reduced government spending rather than balanced budgets achieved by ever rising tax rates to cover ever rising spending. That is a quote from Thomas Sowell. As a next budget cycle approaches, this Board has already heard that a \$3,000,000 shortfall exists. When facing such a budgetary shortfall, we must wisely use the taxpayer's money. The will of the people is for the Board to be good stewards of their money and their trust. Spending more money for capital projects on the incubator should not be a priority on this Board. Since July 1, 2011, Avery County has spent, budgeted or committed to spend over \$500,000 for economic development. In the last six months alone, the county has spent \$102,574.66 on capital improvements to the old Banner Elk School. This does not include

costs of the capital projects the Board will vote on today. Mr. Greene is here and he may correct me if I am wrong and he may can "amen" if I am right. To the best I can find in budget line item 4900.7400, which is capital projects, we have \$3925.34 remaining. Due to the next budget cycle, the county will likely exceed the \$700,000 threshold of expending the taxpayer's money in the name of economic development. The AC PRIDE project has not created any new jobs in Avery County and no substantial improvements to the tax base have occurred. I am fully aware that the Board will likely vote 4 to 1 to approve the capital project to add heaters to two spaces that are not currently leased. I believe that the Board should not approve the capital expenses until after the public hearing regarding the leases. If the county after the public hearing does not vote to lease the property, then the heaters are not needed. We should wait to hear the public input on the leases before making an additional commitment to a capital project at the old Banner Elk School. Before the Board votes, I want to remind the Board that on August 5, 2013 the Board approved \$20,000 for heating systems. According to the minutes, economic development stated 'as we move into the winter season we need to install heating systems and we have looked at several different aspects and the smartest thing to do is not to use the system now because it is outdated. We are looking at using the individual Mitsubishi units that are very energy efficient. The heating system in the budget this year was \$20,000 and this would do about 6 to 8 spaces according to the unit used.' Avery County has currently only leased one space and moved the economic development office into the incubator. Based on the statements from the minutes of the August 5, 2013, the heating system would still be sufficient for an additional 4 to 6 spaces. I simply ask what has changed since the Board approved the heating system to require the county to spend an additional \$8,942.56. Why is the Board spending more money than is budgeted for this project? Is the county going to have to pay for additional heating units each time a new unit is rented? How many bids did the county receive? We have already transferred from one line item in the department's budget \$35,000 for capital projects this year. From these transfers, which I opposed, the county has increased the capital project budget for economic development by 49% for this fiscal year. The taxpayers need to be informed of the costs of utilities for the incubator when using individual heating units for rental spaces. For the month of November 2013, the total maintenance, repairs, utility costs for the old Banner Elk School was \$3784.06. Utilities at the Old Banner Elk School were \$1686.04. We need to be assured that this heating method is the most efficient way to heat and cool the building. The county is paying virtually all the expenses for utilities and maintenance. According to the lease agreement, the county is collecting \$35.00 from its sole tenant to cover the tenant's utility expenses, maintenance and repair expenses per month. The taxpayers paid the remaining expenses in utilities and repairs. The county paid these bills according to the finance department in the first two weeks of December. I would like the finance office to update us on the utility costs for December and January. This board should not approve capital expenditures for heating units. First, currently there are no signed leases for these units and this Board has not conducted a public hearing regarding those leases. If we approve those expenditures, it would indicate that the Board is predisposed to approve the leases regardless of the public comments made at the public hearing. This Board approved \$20,000 for a heating system for 6-8 units in August 2013. With only one tenant present, capital improvements made to the heating system in August should be sufficient for two more tenants. Also the utility cost using the current system is much greater than the projected cost of utilities in this budget. Is the current system the most cost effective method to heat the building? Finally the county is facing a revenue shortfall and should focus on ways to save money rather than raising taxes. The AC PRIDE has not created any new jobs as of today despite all of the spending on economic development. At some point this Board must stop spending money on a costly project that has not succeeded so far and might not succeed in the future. For all of these reasons, I urge my fellow board of county commissioners to vote against these capital expenditures. If this Board is determined to vote for these improvements prior to the public hearing on the leases, I would request that the Board make this vote contingent on the leases being approved."

Glenn Johnson stated "Mr. Griffith do you remember stating to me that the county didn't have any business spending any money on economic development?" Mr. Griffith said "no I don't remember saying that." Mr. Johnson stated "I remember it, we were sitting right back there near the water cooler". Mr. Johnson asked "Mr. Griffith do you want to see this project succeed?" Mr. Griffith said "at this point as much money that has been sunk into it, it is going to have to do something but how much do we put into it to make it succeed. This project was introduced September 2011, it was a unanimous vote by the Board in January 2012 and now this is February 2014 two years and a month later since there was a unanimous vote and all we are doing is sinking more tax dollars into it." Mr. Johnson said "to answer the question, do you want this project to succeed?" Mr. Griffith stated "I want to be in the will of the people and the will of the people thinks that this project is not going to succeed and are tired of seeing money go into it." Mr. Johnson said "but do you want it to succeed?" Mr. Griffith said "if it would be good for the county let it succeed but I don't see it happening and the people don't see it happening." Mr. Johnson said "one other question." Mr. Griffith said "I am not going to be drilled any more so you don't need to ask me anymore." Mr. Johnson said "have you taken the opportunity to go into the incubator or talk with Mr. Gardella in the some 14 months you have been on this Board." Mr. Griffith stated "you can move on Mr. Chairman."

Mr. Johnson stated "I have a statement to read that I wrote myself." I choose to remember and yes honor my past and Avery County's past but at the same time I choose to be proud of the progress at this facility so far. I believe that most Avery County citizens who would take the time to really look at the AC PRIDE would be taken aback by the possibilities. I choose to honor our kinfolk who worked so hard to make the Banner Elk School the wonderful building it is today. It has been described by some who has worked there as a fortress. At the same time, I choose to repurpose the building into something for the future not tear it down or let it deteriorate and by the past actions of the vast majority of the Board this is the direction that has been taken. Since the majority and yes super majority of this Board has taken this direction I choose to do everything I can to help it succeed. I choose to volunteer my time as others of this Board have done at this facility. There have been others including community volunteers, county employees and businesses who have given of their time and money to ensure this project succeeds. I choose to be proud of Avery County government. Avery County is in good financial condition as is evident from the auditor's report that was given at last month's meeting. This has come about by good sound financial practices over several years. I believe the majority of this board feels the same way. I choose to be proud of all Avery County employees and give everyone the respect and dignity they deserve. I believe we have some of the best hardest working employees in this state and I believe most citizens of Avery County would agree. I choose to be proactive rather than reactive in my decisions. I am proud of Avery County's financial strengths. I am proud that Avery County has one of the lowest tax rates in the state. I choose to believe that we need to take proactive steps now to keep it that way. In order to do that, we need businesses, employment, people, tourists, construction, sales and so on. How we get there is debatable but let's do it together. Lastly, when a decision is made by this Board whether I agree with it or not I choose to do my best as an elected county commissioner to carry out that decision and I choose to believe that the majority and yes even the super majority of this Board shares that commitment."

Phyllis Forbes stated "I see this project as an investment in the future of Avery County. Sure, Kaye you said it needed to be new businesses but it also needs to be education for businesses that are struggling so they can move out and can add to the tax base and be successful and can rent space from private individuals. They can't stay in the incubator forever, that is one of the conditions. We are just trying to ensure that they will be successful and at the same time create jobs, add to the tax base and the economic well-being of Avery County. In addition, I see the things that we are doing to that property like Glenn said it is a very sound and beautiful piece of property in a great location. Anything that we have done to that building from roof to heaters adds to the value of that piece of property so way down the road when I am not sitting here if the Board of Commissioners decides they want to sell that property the value will be increased. I feel we are making an investment here. I think Glenn is right when the majority of the Board makes a decision to do something as an individual I feel like it is my obligation to uphold that decision and work as much as I can to see that that happens. Sure, I have been here 18 years and I have lost a lot of votes but when they pass it is a "done deal". When it passes, it is a "done deal" because the majority has said we approve this but that is not to say that there are times that information arises that somebody might change their mind. I like to think I am pretty steadfast in my beliefs when I have heard the pros and cons of an issue but I won't waffle around back and forth. I believe we need to stand for what the Board as a whole wants to happen."

Martha Hicks stated "when we first started talking about the incubator and doing things to the school I voted against it but when I did the Board approved it and I said I would get behind it and do everything I could to help it prosper. I will say to Mr. Sluder don't believe everything you read in the paper, come and get the minutes and read the minutes. About every time I pick the paper up I get disgusted and throw it down. Like Mr. Griffith said on August 5<sup>th</sup> it was approved \$20,000 for a heating system. Anybody that has something they want to rent they can't rent it because there is no heat in it. I have been in the school and I see the improvements that have been made and it has been a lot of improvements that taxpayer's money has not been spent on. The individual that rented the space works on that space. The space has improved 100%. Mr. Johnson undertook to get up there and tear up the carpet and he said Martha I didn't ask you to come and tear up the carpet because you have a bad back. If he had asked me I would have come and done something. I went twice and run a weed eater all day and run a power saw. I worked in the back. The day that we did landscaping Phyllis, myself and Bret's mother helped clean up the property. I wish that people that had seen the property before we got in there and worked. It is an improvement. If we ever start to sell the property, the improvements have helped the building. Since the Board agreed to do this, I have got in there and worked. I have been on the Board for six years and I assure you if it was a waste of money I would be against it. The way that the market value is now you can't hardly sell a home. We have started something and we have one business in there. There are two full time jobs in there."

Bret Gardella stated "There are quite a few misstatements made that if you would like me to correct them right now I would while we are discussing this issue. We have a real estate agent and she has another agent working out of the building. Ms. Harding will be creating another job for herself to come up here. She does not currently live in Avery County or work in Avery County. That will be another job that has

been created. My suspicion is that in talking to Ms. Harding within 2-3 months with her being in the incubator she plans to hire another person and that will be 4. When Highland Pro Clean comes over that will be 2 people working in the building and they always carry a staff with them. As they are able to grow their business, they look to hire another person full time if not two. To say we have not had any jobs created is not true. To say that we are not able to have distressed businesses to come into the facility is also not true. We have always had the ability to allow distressed businesses to come in there as part of the zoning that we had worked out in Banner Elk because we know there are businesses all around this county that are distressed in some respect and if we can help them that is our job and that is why Highland approached us." Mr. Johnson asked "is it in the documents that it is for new businesses as well as distressed businesses which Highland Pro Clean is a distressed business." Mr. Gardella answered "yes it has always been there. I am not sure where it came up with the conversation that it was new business only. It was never discussed by me and I don't think the Board has discussed it as being new business only."

Reo Griffith questioned "Is Highland Pro Clean willing to produce a financial statement?" Bret said "They have already provided it to the selection committee as part of their business plan and the selection committee has looked over it and has approved them to come in."

Reo Griffith stated "Only thing I can say there is going back to last week headline news Charlotte Observer.com the city of Charlotte with a tax incentive \$180,000 bringing in 250 jobs from Black and Decker. That is substantial job growth. With a figure I threw out a few minutes ago, I am not going to argue with Mr. Gardella, I was not aware of one job. He has named over 4 or 6 jobs. I will still argue in excess of \$500,000 and we are talking about 8 or 10 jobs."

Mr. Gardella stated "That is a misstatement because you are talking about economic development since it was created in 2011 you are not talking about just the AC PRIDE incubator. If you want to talk about economic development what I have done for this county I will gladly have that conversation with you but that is not what the public hearing is about. The public hearing is about getting heating units put into this establishment so these two new tenants can come in. We have not spent nearly that much in fact we have spent less than half of that amount on the AC PRIDE incubator which this Board has decided a new roof was necessary to protect the facility, new windows were necessary to protect the facility. If these are things that four of the county commissioners duly elected and my bosses have decided to do I respect them for doing that. The last thing I would like to say on the heating units, when we discussed the \$20,000 for the heating units before that actually got us 8 spaces instead of 6 that I projected. It was decided by the heating specialist that we needed to heat the hallways and common areas so we put 2 heating units in the hallways and then we put one heating unit into the one business that we had coming into the facility. It was decided that we were going to put these Mitsubishi mini-splits in each individual unit as they are rented. We have two units that are going to be rented and we need to put heating units in them. We need to put the heating units in there so they can build their businesses out."

Chairman Poteat stated it has been mentioned that the motion be contingent on the two leases being approved themselves. Two weeks from today there will be a special meeting and there will be a public hearing regarding these two leases.

Mr. Gardella stated "Both business owners have told me directly that they want to be in the incubator. The problem now is we have had subzero temperatures outside, paint doesn't stick in 20 degrees, can't put down carpet glue without heat. For those purposes, I believe these leases should be approved and will be approved and I would like the tenants to have the ability to get in their space now and build it out so as soon as the leases are approved they can start their business."

Chairman Poteat questioned if the almost \$9000.00 would be all new dollars or would it be from the existing budget. Tim Greene, Finance Officer, stated that this would be new monies. Chairman Poteat questioned if there was still monies left in the economic development budget.. Mr. Greene answered "yes there is."

Mr. Gardella stated "when we talk about my department's budget is limited with funds it is because of the delays which caused us the opportunity to put the sprinkler system in when noted. I think it is rather unfair to look at this department now and say you are about to be over budget. I was \$95,000 under budget last year. For me to ask for money this year to put in heating units to get businesses started is the right thing to do. It is disheartening for me to hear that people are judging this project when we have only been in there for 90 days. It saddens me that we come down to this microwave society when we expect instant results. When I made this proposal two years ago, I said that I would need five years minimum once we were in the facility before you could determine its success or failure. I think in 90 days to have one business in and two more on the way is good. For those people who think differently, it saddens me."



Glenn Johnson said “talking about the \$20,000 for the heating for the common areas. It was for the hallways, bathrooms, for what was originally the teacher’s lounge, Bret’s office and the room next to your office. We were all keenly aware at the time of those expenditures. We were aware that each and every time that a new business went in would require one of the Mitsubishi units. We were all aware of that at the time. It is nothing new, nothing hidden.”

Mr. Griffith stated “I am just quoting the minutes from August 5 the heating system in the budget this year was \$20,000 and this would do about 6-8 spaces according to the unit used.”

Chairman Poteat stated he appreciated his fellow board members. I have heard very good conversation. We have taken this very seriously.

**Motion by Martha Hicks and second by Glenn Johnson to go out of Public Hearing at 5:55 p.m. and back into Regular Session. Motion unanimously approved.**

**Motion by Glenn Johnson and second by Phyllis Forbes to approve a Budget Amendment up to \$9,000.00 for installation of heating/air conditioning systems in Unit 5 and Unit 6 of the AC PRIDE incubator with the caveat that the heating/air conditioning systems be installed immediately.**

**VOTE: Kenny Poteat, Glenn Johnson, Phyllis Forbes, Martha Hicks-----For.  
Reo Griffith---Against**

**Motion passes 4 to 1.**

**County Attorney Report – Michaelle Poore**

Michaelle Poore, County Attorney, advised that the Board may recall that there was one matter that was pending for the Property Tax Commission and that was one property owner and two properties. We appeared at the hearing and the Property Tax Commission dismissed that hearing. The value that was established by the Board of E&R was upheld.

The county’s brief was filed today in the Grandfather Mountain case. After the brief from Grandfather Mountain comes in, it will be scheduled for disposition by the court.

We have sent out 10 to 12 letters for tax collections.

**Approval of Minutes**

**Motion by Martha Hicks and second by Phyllis Forbes to approve the January 13, 2014 Special Meeting Minutes. Motion unanimously approved.**

**Agenda Consent Items**

**Adopted by Consensus of the Board with the noted correction regarding a Budget Amendment for the Senior Center.**

**Upcoming Meetings**

A Special Meeting regarding a Public Hearing on two leases for the AC PRIDE will be held on February 17, 2014 at 3:00 p.m.

**Adjourn**

**Motion by Martha Hicks and second by Glenn Johnson to adjourn this meeting at 6:06 p.m.  
Motion unanimously approved.**

---

**Kenny Poteat, Chairman  
Avery County Board of Commissioners**

ATTEST: \_\_\_\_\_  
Cindy Turbyfill, Clerk

