

**STATE OF NORTH CAROLINA
COUNTY OF AVERY**

The Avery County Board of Commissioners met in Regular Session on Monday, February 4, 2013 at 3:30 p.m. in the Commissioners Board Room, Avery County Administrative Complex, 175 Linville Street, Newland, NC.

Members Present: Kenny Poteat, Chairman; Phyllis Forbes (via telephone); Robert Griffith; Martha Hicks; Glenn Johnson

Members Absent: None

Call To Order

Chairman Poteat called the meeting to order at 3:31 p.m.

Chairman Poteat led prayer.

Chairman Poteat stated that public comment time was a time when any citizen could speak on any issue. Chairman Poteat explained when a large amount of citizens were going to speak during public comment that the time to speak would be limited to 2 ½ minutes per citizen.

Chairman Poteat stated that if anyone would like to speak to an agenda item they must sign up on the sheet with the clerk.

Public Comment

Reo Griffith stated "There is a good crowd here and you need to know what is going on in county government. I assume that there is a large number here concerning the incubator at Banner Elk. I brought up the issue last month of beer, of a brewery being in the incubator. I stand firm one month later; I am against it. There are a lot of issues that citizens can change my mind on but on this issue you will not change my mind. I have a very strong personal conviction about it, death, trouble, heartache; I have a strong conviction about alcohol and will not support it."

Phyllis Forbes had no comment at this time.

Chairman Poteat stated that he appreciated the attendance at this meeting.

Martha Hicks said it was good to see faces in the audience of people that you have worked with on boards and committees.

Glenn Johnson stated "I wanted to step down to address you not only as your county commissioner but also as a concerned citizen and taxpayer of Avery County. There is a little country song by Barbara Mandrell that says 'If loving you is wrong I don't want to be right'. I will explain this at the end of what I am about to say. I have three different sets of comments that I would like to make. **The first one is "The Great Divide".**

Avery County is a great place to live! Those that grew up here usually don't desire to leave. Many have come here from other places for a variety of reasons. I hear many "locals" talk with disdain about our summer residents, our tourists, our skiers, etc. but where would we as "locals" be without them? This is a good time to pose the question "Who is local or native"? Webster defines native as "being the place or environment in which a person was born." Another definition is "one of the people indigenous to a place, especially as distinguished from strangers, foreigners, colonizers, etc." Now I consider myself local or native to Avery County but if you have to be born here I wouldn't qualify because I was born in Canton, Ohio. You see my parents were married in 1946 and moved to Ohio to find employment that was not available in Avery County, as did many other Avery Countians. This trend continues today. If you define native as someone indigenous to a place I suppose none of us would qualify. I assume only the American Indian or Native American would qualify. What I am trying to convey here is we all need to find a way to work together to make Avery County an even better place to live, work, and raise our families. Avery County is an aging population. Retired people are moving here and that's great but we are losing our young people. They go away to college and do not return. Avery County High School was built for 1200 students. The highest occupancy was 1000; we now have less than 700. Where did they go? As with a church with a cemetery out back if no young people are coming in to that church eventually everyone is in that cemetery and the church doors are closed. Getting back to the "Great Divide", everyone that lives in Avery County, owns or rents a home here, pays taxes here, shops here or visits here contributes to what Avery County is and will be in the future. What will Avery County look like 20, 40 or 50 years from now. I don't think anyone knows but it will most certainly be different from today. We are in a constant process of change. It is our nature to resist change, but if everything around us changes and we do not, then we become stagnant and we continue to lose our young people. Albert Einstein said the

definition of insanity is “continuing to do the same things the same way and expecting different results”. As your elected County Commissioner it is my duty to carry out the day to day business of all the people of Avery County with no regard for your socioeconomic status, where you were born, or where you came here from. It’s not about “an us against them” mentality! It’s not about what part of Avery County you reside in! It is about working together to make Avery County an even better place and moving Avery County forward in the 21st century. As good a basketball player as Tommy Burleson was in college and the NBA, I believe he would tell us he never won a game by himself! It’s all about teamwork. Let’s put our differences aside and work together to get the job done. Let’s pull together instead of in the opposite direction. Let’s be Avery County Citizens united. As for me and my constituents on the Avery County Board of Commissioners “Let’s be about the people’s business”!

The second set of comments is “Looking to the Future”:

Avery County has changed through the years and must continue to change. At one time the little community of Cranberry was our center of commerce with a company store, company houses, a hotel, a post office, a railway running through, and plenty of jobs in the Cranberry Iron Mines and what about the Tarheel Mica Company with 250 employees and 3 shifts with imports and exports. Times have changed. When I was growing up we were growing certified seed potatoes as were many others. Then along came beans with two bean markets, one at Crossnore and the other on Smokey Straight just outside Newland. Look at them today. Times have changed! Then along came cabbage, then ornamentals and then Christmas trees. With the drop in the price of Christmas trees, where are we going now? Some are starting to get in to “viticulture” or the growing of grapes for the production of wine. Now while I don’t drink alcohol or necessarily like the fact that this “seems” to be the direction or at the least “one” direction that Avery County is moving in, the fact remains that times are changing. A friend of my wife once said “if you live in Avery County you have to wear many hats”. I believe this to be true! Avery County people are known as survivors.! As we know Avery County has three economic drivers; agriculture/horticulture; tourism; and the second home industry. We are not conducive to heavy industry due to our lack of infrastructure. We are 50 miles from the nearest commercial airport, 30 miles from the nearest interstate highway, and we do not have availability of large tracts of low cost, easily accessible land. We have to figure out how to expand on what we already have and at the same time explore those new ideas of what’s ahead for Avery County. Since small business employees 50% of all workers in the United States and since 44% of our total payroll comes from small business and over 50% of nonfarm GDP comes from small business maybe this is part of Avery County’s future or if you will “one of those hats that Avery County must wear”. According to the “internet”, another of those huge changes that has come about in the last few years, 44% of small businesses survive but if you add the element of “business incubator” the survival rate rises to 87%. It does Avery County very little good for a small business to start up if it does not survive. So if we can double their chances of success than I believe we have accomplished something. Now someone said to me that the county had no business spending money on economic development. Economic development has been defined as “the process by which a community creates, retains and reinvests wealth and improves the “quality of life” for its citizens. If I as a county commissioner am not about trying to improve the “quality of life, create jobs, keep our young people here, and move Avery County forward then I am not doing my job! Let’s be about the people’s business!!!

The third set of comments is “The Business Incubator”.

The Avery County Economic Development Director and the Avery County Board of Commissioners have designated the old Banner Elk School as a business incubator. The Town of Banner Elk has zoned the same as medical/educational. Any business occupying the business incubator must meet this criteria. Two letters of intent have been signed, one for a bicycle shop and one for a microbrewery. This came about through much hard work and dialogue between the Banner Elk town board, planning board, and our economic development director. Through consensus of 5 duly elected county commissioners we all agreed. Four of those remain on your Board of Commissioners today! It has already been decided! The term “business incubator” was new to me until recently but they have been around for over 50 years. “Business incubators are programs designed to support successful development of entrepreneurial companies through an array of business support resources and services, developed by incubator management and offered both in the incubator and through its network of contacts”; in this case, Mayland Community College and Lees McRae College. The whole idea as I stated before is to increase the likelihood of success from 44% to 87%. There are at least 33 business incubators in North Carolina in 26 counties. One of the more successful is in Siler City. It centers around the arts. Now we already have Handmade in America interested in coming to the AC PRIDE. Think of what this could do for our local artisans and craftsmen; providing space to display and sell their work. While we should never forget about our past, our heritage, or where we came from, we must look to the future and have a vision of where we are going. Proverbs 29:18 says “Where there is no vision the people perish.” Ronald Reagan in his inaugural speech said “In these economic times there are those that say we need to look to our past. As Americans we are not given to looking backward. In this blessed land there is always a better

tomorrow.” I believe the majority of your Board of County Commissioners has that vision for Avery County. We must look to the future for the sake of our children and grandchildren! Now you might ask “how can Glenn Johnson be against a referendum to put county wide beer and wine on the ballot and be for a micro-brewery in the business incubator”? My position is we are not expanding the sale of beer. It is already available within a stones throw in all directions of the business incubator. It was obvious to me on the previous issue that the majority of people in our rural area did not want package stores in their neighborhoods. It is also obvious to me that the Town of Banner Elk does since they voted it in and approved the business incubator and the brewery. Beer is already being trucked in from who knows where, made in distant cities and in some cases in foreign countries. So since the business incubator is about job creation and bringing in more tax dollars via business taxes, sales tax and tourist dollars why would anyone be against that. I am not necessarily a proponent of the brewery as was stated in a local newspaper but I am a proponent of economic development in this county and in so doing creating jobs and a better quality of life for our citizens especially our young people who are our future. If we continue to do the same things the same way we will continue to get the same results. Let’s think outside the box! Let’s be about the people’s business!”

Jessie Smith, Crossnore Town Board Member, stated “I have been on the Crossnore Town Board for 20 years and on the Crossnore Community Enhancement Committee for 10 years. If you had it in your power to improve the lives of the people of Avery County what kind of things would you do. One of the things is to have a viable business sector in the county and have it working with educational entities to provide opportunities for jobs, products and for people to have more that originates in our county. I was very excited that we are going to have an economic development program in Avery County. It is a way we can look to the future and enhance our future for our citizens of Avery County. I, as one, strongly encourage continuation of the economic development program in Avery County, the program in Banner Elk and the broadband project which will enhance the education and opportunities for the folks in our county.”

Faith Lacey, Avery County Citizen, said “You can make a difference. I have come to you that you ask to return the Avery Cares, Judge Lacey Center, back to the NA’s at the end of the lease. I have been in the AA program for 40 years. Dr. Bob Smith and Bill Wilson started the program in 1935. This is a personal plea. When the NA’s came to me and told me that they could no longer meet here, it hurt me. These are the people that I care about because my husband was an alcoholic. The program works. It is within your power to change this. There were sometimes 30 people meeting there with the NA’s. To be a member of this program you have no dues or fees.” Ms. Lacey handed out a booklet to the commissioners that explained the history of Avery Cares.

Chairman Poteat said that this issue will get more attention and will not be forgotten.

Dallas Pate, Chief Deputy of Avery County Sheriff’s Office, stated “34 years ago I came to Avery County as a trooper with the NC Highway Patrol and I was told that I was coming to a great duty station, there were fine people but there was nothing up here unless you were self-employed, a truck driver or a law enforcement officer and when your children grew up they would have to leave. I have found that to be true. Both of my children left to find jobs elsewhere. They have since come back and now I have grandchildren that are getting ready to leave. I will agree with Commissioner Johnson, we need some kind of businesses and revenue for this county and I will agree with Commissioner Griffith I am not a proponent of alcohol. Avery County needs something and we need to entice businesses to come in and people that go to work will save Avery County thousands of dollars that are now getting assistance through the county. 34 years I have been here and I can still find little change. We have some fine county commissioners that I believe can figure out a way to entice businesses to come into this county and to put Avery County on the map that will provide good jobs for our people and our children. Get us something up here.”

Justin Ray, local business owner, said “I am a local business owner. I grew up in Avery County, attended Avery County Schools and went to Appalachian State University to college. After college I was forced to move away because there were no jobs in the area. I moved to California and accepted a job at a large banking institute. After a few years I wanted to come back home but I found it difficult to come back home because there were limited opportunities and limited resources here. After working in corporate America for 8 years I had enough. I realized I wanted to get back home and get back to the community. I took pay cuts, benefit cuts to come back here. On our decision to move back we had looked into opportunities and found they were very limited. We started our own business. Currently we are doing pretty well with our business. We have been here two years now. The population is a little sparse but we have a good tourism industry. There is a good quality of life up here but to be successful in a 21st century rural community you must have a clear vision for the future. We have to have a commitment for a board involvement in decision making and have an understanding of the balance of economic opportunities, and anticipate for the long term future. Our rural communities have been blessed with

hardworking people and leadership however we do not have the resources to plan for the future. We need to increase technology advancements and financial resources.”

Doug Owen, Director of cycling at Lees McRae College, stated “in 2013/2014 we are bringing back another national champion cycling event to Avery County. I am asking for your permission, endorsement and your allowance for us to use the field area at AC PRIDE for our parking so we can have our guests to park. We will list Avery County as a supporter. We ask that we are allowed to use the area for no charge. This will be the fourth weekend in October.”

Chairman Poteat said we will look into this and try to accommodate you.

David Tate, Director of Yellow Mountain Enterprises, stated “I am here partly because my job is economic development for a special group of people and it is quite a challenge. Yellow Mountain Enterprises serves adults with intellectual and development disabilities and my particular challenge is to try to find jobs that are scaled to the ability of our clients to be able to do. I wanted to say that we had gotten a grant and have developed a portion of our building into a showroom that we are calling Yellow Mountain Trophies and Tees Showroom. We have a very high tech laser engraver. With the laser engraver we are able to produce a very high quality product. At the same time we are developing an on-line store that will open up our products. We are working hard for the creation of jobs for this special group of people. We have had good support from Bret Gardella from the economic development department in the county. Also, I was around when Avery Cares was created and it is a wonderful opportunity for substance abusers.”

David Burlison, Superintendent of Avery County Schools, said “I want to thank you five; you have the toughest job because you never get it right for everyone. Thank you for spending your time and putting forth the effort to make a difference in our county. I also want to let you know the school system is here to support you and this county. Let us know how we can assist you, how we can support you because economic development impacts the children in Avery County. I want to encourage you as commissioners and we as citizens to work together to bring whatever jobs will work in Avery County back so our young people will want to come back here. It is the most beautiful place to live. No one understands the resources we have. In my opinion the greatest resource we have in Avery County is its people. I truly believe that if business understands the kind of people we have and the work ethic we have in Avery County, if we build the infrastructure they will come. You are starting one project that I want to compliment you on and that is getting internet connectivity across the county. This sends a strong statement to business that this county is progressive and you want to do the right thing and I truly believe that we can have jobs here that the folks in India have today. I believe working together we can create productivity in Avery County that will bring jobs here and get people excited about staying here.”

Gerald Mckinney, Attorney, stated “My vision for the county is to see more of these kids stay here. What I have heard so far is I think our kids want to come back if we can help give them a reason. My vision for the county is to have the kids stay here. One facet to that is economic development. The incubator is part of the answer and part of what we need to be looking at.”

Kenny Sudderth, Avery County Citizen, said “I grew up in this area and fortunate enough to make a decent living and I would like to see all of the young people have the opportunity to stay here and make a living. We have some of the finest people in the world in Avery County. We have a good work ethic and one of the best school systems anywhere. I ask you to do what you can to get businesses to come here.”

Charles VonCanon, Banner Elk Town Council, stated “I am currently on the Town Board in Banner Elk and been on the Planning Board for 14 years previous to the Town Board. I have been involved in the AC PRIDE project since its inception and believe in that project. I think we need economic development in Avery County and need a work force here. I taught school in Avery County for 30 years. I graduated from Appalachian State University but had to move away because there were no jobs here. I got a job to come back and took a pay cut to come back. I have taught lots of students in 30 years and probably most of those students had to leave Avery County. We need to keep our young people here. The incubator idea will teach students how to go into business and do the paperwork.”

Allen Bolick, Banner Elk resident said “I would like to take a few minutes to address the issue of economic development and the impact it has on Avery County. I would like to thank Bret Gardella for the fine job he is doing. A few examples of what economic development is doing in the department is working on the technology side of communications in Avery County. The department has a scheduled meeting this Wednesday, February 6, 2013 with a company from California looking at Avery County as a possible site for East Coast Manufacturing Plant. The department has been working and promoting Avery County with companies and organizations to improve and provide jobs to advance Avery County. The department has been instrumental in development of the incubator program going into the old elementary school in

Banner Elk. With the proposed microbrewery, bicycle shop, and other interested new business, the program will continue to grow and provide jobs and money for the citizens of Avery County. On January 25, 2013 our Governor Pat McCrory addressed the NC League of Municipalities in North Carolina. Our Governor said that the number one issue for North Carolina is jobs and the economy. He also stressed that each county, city and town should have a long term economic development plan and a strategy to implement that program. At that meeting I was talking with a group from a nearby town and they were talking about one company that came into their town, started a microbrewery, added a distillery and is now adding a restaurant and this could happen at our incubator. I would like to urge you to continue to be forward thinking, continue to support the economic development department, continue to push technology, continue to provide business opportunities that will create jobs, provide taxes and revenue for the county and provide spendable dollars for the citizens. In closing, I would like to ask you to please take forward steps and do not take a step backward.”

Charles Dunn, representative from Mountain Electric Cooperative, said “I am from Johnson County, Tennessee and Avery County is similar to that county with one exception. I am the director of member services and what I do for Mountain Electric everyday involves some aspect of economic development. The goals of economic development are new private investment, job creation, increased wealth and have a higher standard of living. To see this goal, we come together to work with all the local economic developers, county officials and state officials. Mountain Electric and TVA are concerned about helping the communities to be better places. I work with the economic development directors and the chambers and as a bigger group we try to help with marketing and advertising. In Johnson County I have not heard this much talk about economic development and we are suffering for it. “

Bob Storey, Avery County citizen, stated “I want to address the effect of an economy that needs jobs in Avery County. The director of the Department of Social Services compiled some statistics for me which I would like to share. Each of us today realizes that there are some people that are hurting in our midst and the idea of economic development becomes more important as we review these figures. In 2000 18% of our population in Avery County were 55 years and older; at the end of 2010 according to the Census the aging population 55 year and older had increased to 32%. What is happening to our young people? Food and nutrition recipients total 1240, Medicaid cases total 2556 which is an average Medicaid benefit of \$5000 per case. I will continue my comments later in the meeting.”

John Millan, Avery County Coroner, said “The main reason I ran was to help stem the amount of deaths we have in this county because of overdoses. The problem we are facing is economic hardship. Lack of economic opportunities leads to despair, that leads to hopelessness and that can lead to substance abuse. A lot of young people are leaving because of the lack of economic opportunities. We have great people, churches and infrastructure. Ashe County has become the emergency vehicle manufacturing capital of the Southeast and if a place like Ashe County can do that surely we can become something like that in Avery County.”

Bill Elder, Banner Elk citizen said “We need to pull together as a county and work together and get small businesses started.”

Mary Elder Frisbie, Banner Elk citizen stated “When I went to high school in Cranberry many of my fellow students had fathers who worked in Canton, Ohio and other places. I left after graduation and returned 35 years later and when I came back tourism had really started to develop. We need activities and things to do for all sorts of people to come and not one area of tourism can support a whole economy of restaurants, service stations, motels, etc. I think the incubation for businesses is a great and unusual opportunity that we have. In reading, most of new businesses fail because people are not prepared for all of the facts of a business and they need help. They have the ideas but they don’t have the know-how to make it successful. I think the incubator for businesses is a wonderful idea for businesses. We need more small businesses of diverse kinds.”

Johnny Carson, President of the Newland Business Association, and owner of Fortner Insurance Agency, said “My primary focus is to thank you and commend you for the progress that has been made. The people here are a tremendous resource and the beauty is incredible. I urge you not to take the ‘foot off the gas.’ We need to enhance technologies which will enable great opportunities to come.”

Greg Siez, business owner in Newland, stated “I moved here 13 years ago because we loved it. My daughter graduated from ASU and left the area and my son is now at Chapel Hill and does not see coming back to work here because of the lack of opportunities. We do have a big problem ahead with 67% of our revenue coming from property taxes and the revaluation to be completed in 2014 and the revenues are going to be down. How do we increase revenue and keep the property values up? We have natural resources not available anywhere else. The Newland Business Association and other

chambers have come together and started pooling their ideas. The incubator allows starting businesses and will teach how to manage the businesses.”

Eric Wright, Postal worker, stated “There are very diverse people in Avery County. I am asking you to lead us, give someone an opportunity. I want my children to have that opportunity. It takes money to make money. Don’t give up on the people of Avery County.”

Chairman Poteat thanked everyone for speaking. He said that if anyone would like to speak to an agenda item they must sign a sheet with the clerk to be recognized.

Board Appointments

WAMY Board

Robert Wiseman, County Manager, advised that there were two appointments for the WAMY Board of Directors. One of the vacancies came about with Scott Heath being defeated in the last election. Chairman Poteat questioned Mr. Griffith if he would be willing to serve on the Board. Mr. Griffith agreed to serve on the board temporarily and this could be changed with one of the other commissioners trading a board that would work better with Mr. Griffith’s work schedule.

Motion by Martha Hicks and second by Glenn Johnson to approve Margaret Peggy Soules and Robert “Reo” Griffith to the WAMY Board of Directors. Motion unanimously approved.

Linville Cove Updates

The Linville Cove updates were cancelled until the next meeting.

Internet Infrastructure – Hank Hardin

Hank Hardin, Avery County Schools teacher, thanked the Board of Commissioners and the School Board for the investment in the children of Avery County with the purchase of the Ipads and MacBooks. He said that this would pay big dividends in the future. He asked the Commissioners to stay on course with helping provide high speed internet access and building infrastructure. Mr. Hardin spoke about the students he taught.

Bret Gardella, Economic Development Director, stated that North Carolina Wireless had installed equipment on the Hawshaw Tower. The weather has delayed some of this and also we are waiting on the fiber to go live. The fiber is owned by ERC and they have not been able to go live. If you can see Hawshaw Tower, you can get service. Step two of the process is to get equipment to Old Beech Mountain and then step three would be to put in micro towers. There have been conversations with some mountaintop owners to place towers on their property. We are doing our best to get this done as quickly as possible.

Mayland Community College Updates – Dr. John Boyd

Dr. John Boyd explained that he wanted to update the Board on Mayland Community College. Mayland Community College’s mission is the gateway to opportunity. Mayland builds opportunities and that has been shown through the years. We were selected as the number four community college in the nation and that was competing with everyone in the nation. We do a lot with the small business center to create opportunities. Mayland served over 10,500 people last year. There are 1283 students enrolled for Spring 2013. Our focus is reaching out and expanding out into the service area. We employ 266 full time and part time employees. Currently, the vision for the Avery Campus is a focus on workforce development and expansion of the welding center. The challenge we are facing is being out of space. Expansion on the Avery Campus is not an option; also there is not enough parking. Expansion of services on the Avery Campus will require space and that is what we are looking at with the old Banner Elk School. We see our expansion over there as a way of being able to offer services.

Resolution---Absenteeism of a Board Member

Chairman Poteat read aloud the Resolution to the Avery County Board of Commissioners to Address the Issue of Absenteeism of a Board Member from the Avery County Republican Party Executive Committee:

Whereas, truancy is not responsible leadership and a practice that should not be followed by any person in any walk of life, position or vocation and represents neglect of duty and responsibility, and

Whereas, an excessive truant commissioner cannot interact personally with citizens, and be available and accessible to the constituency that elected him/her, and an absence from the county is derelict from the desire, concerns, and will of the people he/she was elected to serve, and

Whereas, after input from citizens of Avery County to members of the Avery County Republican Executive Committee it was by unanimous decision that the executive committee direct the chairman and

members of the Board of Commissioners to address the issue of flagrant absenteeism by a board member.

Therefore, be it resolved that the Avery County Republican Executive Committee respectfully charges the Avery County Board of Commissioners to address this issue of absenteeism by one of its members.

Resolution- Reconsider the Disposition of the Banner Elk Elementary School

Chairman Poteat read aloud the Resolution to the Avery County Board of Commissioners to Reconsider the Disposition of the Banner Elk Elementary School from the Avery County Republican Party Executive Committee:

Whereas, there is concern and desire that the disposition of the Banner Elk Elementary School should be revisited with the original initiative to sell the school and property and apply the proceeds of the sale to the cost of building the new elementary school, and

Whereas, in the past county schools have been awarded to communities they served and this consideration was not afforded the Banner Elk community, and

Whereas, the community of Banner Elk sought an avenue of deliberation with the Board of Commissioners to purchase the property for a community project and area for community activities;

However, the plan for the Banner Elk Elementary School has evolved with the county commissioners initiating a plan of economic development and ownership of the property to promote an economic "incubator" that has become a "money pit" for the taxpayers of Avery County for refurbishing, repairing and maintaining a seventy-four year old building.

Therefore, be it resolved that the Avery County Board of Commissioners consider selling the Banner Elk Elementary School and property and use the proceeds to cover some of the cost of the new Banner Elk Elementary School.

Chairman Poteat asked Mr. Clay Houston to speak as a member of the Avery County Republican Party Executive Committee.

Mr. Houston said "I have heard all of these speeches on economic development and I don't know of any people in Avery County that is against economic development or providing something for our youth for employment later on and so forth. What the Republican Executive Committee is against is putting taxpayer's money into the old Banner Elk School to rehab it. I think most people on the executive committee feel that is why we have Mayland Community College. Dr. Boyd says he is out of room at the Avery Learning Center but I don't see the classes going on over there that could be going on and that is where that should be done rather than putting taxpayer's money into the old Banner Elk School; it is a dark hole that there will be no end to it before we finish on it. That is the standing of the Republican Executive Committee; it is not against economic development. Avery County has never had the infrastructure to support a big industry but we do have the infrastructure for agriculture/horticulture and tourism and that is going to be our major thrusts in Avery County. I don't know of any business we can get to come in here because we don't have the rail heads or road network to support businesses."

Nathan Paris, owner of Flattop Brewing Company, LLC, stated "I look forward to opening the microbrewery in the AC Pride incubator located at the former Banner Elk Elementary School. I have been a resident of Avery County off and on for 13 years and I have had ties to the area for over 20 years. My wife and I and three children own two residential properties in Avery County and hope to relocate here on a full time basis because we do love the area. I feel the citizens of Avery County should learn more about our plans with the brewery. First and foremost we are committed to being good stewards of Avery County. To begin, every can of beer that leaves our facility will be labeled as a product that has been made with pride in Avery County and will be named after an area or point of interest within the county. This is free advertising for the county and will hopefully be a catalyst for the tourist industry. Secondly, we are committed to having a vertically integrated product meaning we would try to use as many local ingredients as possible. Our economic development director put us in contact with several key partners including Jerry Moody at the Agriculture Extension Agent. We would like to assist local farmers in the hopp growing process. We are blessed with an area that is well suited for growing hops and the new crop could be used to augment a sluggish fraser fir market. We have discussed with Mr. Moody the potential uses of the spent grains used in our process including giving them to local farmers for feed. We would be honored to help sponsor many local festivals. I feel strongly that the AC PRIDE incubator provides the best possible venue to make this happen. As a novice business owner, I would benefit greatly from the educational resources that would be offered there. In addition, we hope to be a key educational component ourselves by offering tours and partnering with ASU to offer internships. We

anticipate some type of partnership with the Mayland Culinary Arts program to be located in the incubator. There is the issue of job creation. The incubator opens up several more job opportunities and would be able to support 6 job opportunities and that list of jobs could possibly grow. I am of the opinion that Flattop Brewing Company and hence AC PRIDE incubator can be a real catalyst for growth in Avery County.”

Bob Storey continued his comments regarding the statistics for food stamps, Medicaid, etc. Mr. Storey stated that the time is here to get busy creating jobs. He said he was an endorser for the business incubator program and this project deserves full funding.

Chairman Poteat read aloud an article from Frayda Bluestein at the North Carolina Institute of Government dated January 24, 2013. The article was entitled “Unexcused Absences”:

What can a city or county governing board do when one of its members won't or can't come to meetings? As a practical matter, not much. There is no legal requirement or authority for excusing board members from attending meetings. Statutes deal with excusing members from voting on particular matters but none deal with excusing members from attending a meeting entirely. Further, none of these statutes, however, allow for removal of a board member and do not distinguish excused or unexcused absences. The general laws do not set a minimum number of meetings members must attend. Further, there is no legal penalty for excessive absences excused or unexcused. There is no statutory authority for removing or sanctioning of elected city or county governing board members.

Chairman Poteat also read aloud a statement from Dr. Fleming Bell: “Any concerns of a member’s remote participation will be resolved in the next election.”

Reo Griffith stated “It sounds like you read what the law states.”

No comment from Phyllis Forbes.

No comment from Martha Hicks.

No comment from Glenn Johnson.

Chairman Poteat stated that the resolution regarding the disposition of the Old Banner Elk School would be addressed. Chairman Poteat repeated a portion of the resolution that states “whereas, in the past county schools have been awarded to the communities they serve and this consideration was not afforded the Banner Elk Community.” In my opinion as Chairman of this Board, when we refer to Beech Mountain School versus Banner Elk Elementary School it is “apples and oranges” not “apples and apples”. Beech Mountain Community, one of the finest communities in the county, lost a school and lost the pulse of that community. Banner Elk Community lost a school but gained a brand new state of the art facility. That particular point would be moot in my opinion. We talked with Banner Elk for many years about the purchase of the property. As Chairman, I upheld all the time that if the school were sold Banner Elk would get first choice. The school was never put up for sale. Finally, talking about the word “this would become a money pit”; the largest expenditure of the old Banner Elk School today was a new roof. You do not leave a nice building to deteriorate and fall down around itself without fixing a roof. I contend we would fix the roof no matter what the intent for the use was.

Reo Griffith stated “Let us go back to the campaign trail, where they are at tonight I could not tell you, they are not here to speak. A number of people in Banner Elk, we are not going to talk about down on the River, Crossnore or Linville, we are going to talk about just in Banner Elk the people who approached me. Reo, we don't like this school business; we should have had it. I never promised a soul that Banner Elk School would belong to you all. I did tell them I would look into this matter. I do believe the school would make a wonderful community building. Supposedly, the story I have been told is that there was one million dollars waiting to give to the county for the purchase of the property and supposedly was never afforded the opportunity to buy the property. I don't know what the property is worth; I am not a certified appraiser. When it comes down to economic development, I am for small business, I am for a man making a living. Mr. Storey alluded to welfare that is the whole problem now, everyone is standing out to the government with their hands out. Why do you think Barack Obama got re-elected, everybody had their hands out and marked his name on election date. I am in the cattle business. I have never asked the government to help me. I have worked hard since I was a little bitty boy. I am a proud police officer but I am a proud cattle farmer. I have never asked for Avery County to give me a thing and believe me in the cattle business it is like high stakes poker you just don't have sense enough to leave the table you know you are losing. I have not asked for a handout from the county to support my business. Before I was sworn in back in the summer Dr. Boyd fed us at the Mayland Avery Campus. I ate and watched and I thought our economic development director would just “eat Dr. Boyd up” but that didn't

happen. Jack Wiseman was there, largest Christmas tree grower in the county, and I thought Bret will talk to this man because he can make dirt turn into gold but Bret does not. I called Robert Wiseman the next day, I was putting up hay the next day. I stopped the tractor and called Mr. Robert Wiseman sitting in the boiling sun on a tractor seat. I said we have a problem; Bret needed to have talked to Dr. Boyd and approached Jack Wiseman and see what is going on in this county. The incubator is still being talked about and tax money being put into it. We cannot reinvent the wheel. Tourism and agriculture is our two main industries in this county. Tourism is alive and well. There is a TDA in several of the local municipalities. Here we have agriculture, have a Christmas tree market that is declining. If the Christmas tree market is declining that is one of our two main sources of income in the county. If the county is going to do something to boost the economy and use taxpayer's dollars to boost the economy, let Bret get up with Jack Wiseman and other Christmas tree growers. Take taxpayer's money and instead of putting in the old Banner Elk School that we don't have a promise of it and send some taxpayer's dollars to the National Christmas Tree Convention. Everybody has got a few dollars from Christmas trees. Why don't we take the money and promote what we have instead of reinventing the wheel. Maybe the people in Banner Elk that have approached me, maybe they are not as interested in the Banner Elk School since they are not here tonight. Putting a roof on the building absolutely that would be stupid not to; we can't let the building rot down. We need to talk about the recurring costs windows, heating system, etc: I would like for someone to lay it out. It may be shown to me that we can have the best building in the world but if we could do this why didn't we put money into it instead of building a new school with a decrease in population to start with. If it was worth putting taxpayers money into why didn't we refurbish it and make the Banner Elk children the best school in the country but we didn't because that school was going down. There is where I stand. I say hooray for economic development but we can't reinvent the wheel. Let us take what is a known and work on it. Get with the Christmas tree growers and push it. There is where I stand on the building and economic development."

Phyllis Forbes commented "I support continuing with the project at the Banner Elk School. There was a lot of thought and investigation that went into this project before we ever reached consensus to do it. One comment that Reo made is that tourism is alive and well and that is great and we all support that. I think our endeavor with making an incubator will enhance that tourism aspect in our county. It will give the people that come to visit a place to spend their money; it will bring in more tax dollars for Avery County and will further the cause of tourism; it is not reinventing the wheel. Bret has a plan laid out with little cost to the county. In Bret's defense, I know one of the first things that he did was to meet with Christmas tree growers and helped them arrange to get Avery County trees displayed in an airport and television station. He has worked with the tree growers. I think we are on the right track and I think Bret has brought us a long way on that track and we need to stay the course."

Martha Hicks said "I was commissioner four years ago and that was the start of talking about the school. We did have some people that came to one of our meetings and they wanted the building to be a community building and they talked to us about that. When we talked about the sale of the Banner Elk School that is when everything in sales and building had come to stand still and we talked among the Board and felt we could not get what the Banner Elk School and property was worth at that time. We began to talk about other things. The tax office had the Banner Elk school and property appraised at 4 million dollars. We have not had anyone to approach us and ask to buy the school except the one group of people that was interested in making it a community building. Bret has worked with the Christmas tree growers. Why let the building sit if you can't sell right now and let it depreciate? Bret and I have had a lot of conversations on the incubator. We are not planning on fixing the school for everybody that is going to come into the incubator. Mr. Paris is going to fix his own spot. It is not going to be an expense to the county. I would like to sell the Banner Elk School and take the money and put on the new school debt. If you can find somebody that wants to buy it for what we have on the tax books then have them come talk to us."

Glenn Johnson stated "You might ask how a business incubator got started. In 1956 a hardware store manager named Joseph Mancuso converted an abandoned 850,000 square foot manufacturing complex in Batavia, NY into a new kind of facility he called Batavia Industrial Center. Not only would tenants receive office space they would gain access to other entrepreneurs and experts willing to dole out business advice. That is what we are trying to do here. The business incubator is zoned medical/educational. Who is going to buy it and for what price? It has been officially appraised from under one million dollars to four million dollars. Sell to whom for how much? We all know we need jobs. If we have a chance of producing some jobs with a building that we have why would I sell. It was Mr. Mancuso who after seeing newly hatched chicks around a facility began calling it an incubator. There are 1200 business incubators in the United States. At least 33 in the state of North Carolina. We are not reinventing the wheel. We are trying to do something for the future of Avery County. Blue Ridge Ventures in Asheville is an example." Mr. Johnson gave examples of business incubators. "We are looking to create small businesses. Small business is where it is at. 50% of all the people in the US work for small business. There are 2255 students in Avery County Schools. 1093 receive free lunches; 221 receive

reduced lunches for a total of 57% receiving free or reduced lunch. You tell me if we don't need jobs in this county. Avery County is a \$26,000,000 business. That is small county government. 67% of that \$26,000,000 comes from ad valorem or property taxes, 17% comes from sales tax, those two total 80%; all the other revenue is 20%. If I can figure out a way to bring in more business, hotels, restaurants and more sales tax, then we can keep our property tax low. Sales tax is a user based tax."

Mr. Johnson shared a NACO article which said "members of the NACO Board identified jobs and the economy as their dominant priority. When asked to name their name public service passions, economic growth and government efficiency were the top choices. Board members from rural counties and from counties of all sizes were the most likely to cite economic growth as their chief concern, grow or die there is no in between." Mr. Johnson said "Bret is working 60 hours a week, he never stops. He works at home, here, in here on Saturday. He is marketing this county. We hired an economic development director to market this county. I would urge anyone to go in and sit down with Mr. Gardella and see what he is doing. If you talk to him you would have known that in the first month he was here he was working with the Christmas Tree Growers Association. I will listen to whatever anyone has to say but I will make my own decision and hopefully I will make the decision that is best for all of the people of Avery County."

Tax Administrator Report – Phillip Barrier

Phillip Barrier, Tax Administrator, reported that Sandy Long has left because of health reasons.

Tax Collections Report

The Tax Collections Report for the month of January 2013 is \$3,405,081.00.

Motion by Martha Hicks and second by Reo Griffith to approve the Tax Collections Report for the month of January 2013 as presented. Motion unanimously approved (Phyllis Forbes voted via telephone).

Mr. Barrier reported that \$60,000 of the \$3,405,081 collected was old taxes from 2000 to 2011. My office staff has sent over 1000 letters to get the tax money collected.

Mr. Barrier stated that General Statute 105.369 says that the tax collector must report the unpaid taxes for the fiscal year. As of the 31st of January the unpaid taxes had a balance of \$1,798,495. This becomes a lien on the property. By consensus, you will need to give me the authorization to advertise the tax liens in the paper. The taxpayers will get one more tax notice. We have collected 90.24% of the 2012 taxes. That is right where we were at last year.

Advertisement of the tax liens adopted by consensus of the board.

Real and Personal Property Releases

Because of the 1000 letters we sent out , there is a lot of cleaning up to do. What we sent out was what was owned from 2000 to 2010. Total Release is \$2,855.75 from tax year 2000 to 2010.

Motion by Glenn Johnson and second by Martha Hicks to approve the Real and Personal Property Releases as presented. Motion unanimously approved (Phyllis Forbes voted via telephone).

Motor Vehicle Releases

The Motor Vehicle Releases for the month of January 2013 are \$244.17.

Motion by Reo Griffith and second by Martha Hicks to approve the Motor Vehicle Releases for the month of January 2013 as presented. Motion unanimously approved (Phyllis Forbes voted via telephone).

Refunds

The total refunds for the month of January 2013 are \$219.96 and \$36.84.

Motion by Glenn Johnson and second by Phyllis Forbes to approve the refunds as presented. Motion unanimously approved (Phyllis Forbes voted via telephone).

Resolution to appoint the Board of Equalization and Review

Mr. Barrier said that he needed authorization to have a Special Board of Equalization and Review.

Motion by Martha Hicks and second by Reo Griffith to approve the Resolution to Appoint the Special Board of Equalization and Review. Motion unanimously approved (Phyllis Forbes voted via telephone).

County Manager Updates – Robert Wiseman

Mr. Wiseman reported that the renovation on the small courtroom will get started before this week is out. This should be complete by March 8th. As far as the big renovation project, we are in the construction document phase now and the design code review process. We will bid first of April and hopefully start construction first week of May. Project will last from May of 2013 to April of 2014.

Finance Officer Report – Tim Greene

Budget Amendment #

The Avery County Elections Department received a coding grant from HAVA to be used for the reimbursement of the 2102 second primary election and 2012 general election coding costs.

Motion by Martha Hicks and second by Glenn Johnson to approve a Budget Amendment for \$5,441.00 for a coding grant for the Avery County Elections Department with a debit of \$5,441.00 to Grant Supplies (104300.3301) and a credit of \$5,441.00 to Elections-Grant (103705.0000). Motion unanimously approved (Phyllis Forbes voted via telephone).

Budget Amendment #

When the recreation property was purchased, the property came with two rental houses with one being rented out at this time. As a stipulation of receiving grant monies any monies received from that rent had to go into that project. We have set up an account and deposited the monies into that account. It has built up to nearly \$38,000. The heating source in the rental property went out so we had to replace the heat which was \$2,000 for a propane fired monitor heater. Robbie Willis checked with the authorities at the state and they said we could use the monies out of that account.

Motion by Martha Hicks and second by Glenn Johnson to approve the Budget Amendment regarding the recreation property rental house with a debit of \$2,000 to Capital Outlay (106200.7400) and a credit of \$2,000 to Fund Balance – Appropriated (103990.0000). Motion unanimously approved (Phyllis Forbes voted via telephone).

County Attorney Report – Michaelle Poore

Ms. Poore reported that she is still waiting on the proposed documentation from Reclaimed Resources.

Soil and Erosion Ordinance

Ms. Poore stated that the Soil and Erosion Ordinance was voted on once and required a public hearing and two votes by the Board. I did a memo trying to go through the old ordinance and compare with the proposed language by the state and attached to that is a copy of the existing ordinance. Attached to that is the amendment that the county adopted in 2006 with the steep slope changes and then after that is the document that I reviewed. I spoke with Mr. Burleson on this matter and he indicated to me that he had agreed with the matters set forth in my letter. The one matter that I wanted the Boards input on is page 6 Section 20 of the existing ordinance, the ordinance provides the inspections department with a mechanism to issue a stop work order on a project when a person putting in a road or doing some type of work that has required a permit does not follow what they are supposed to do or did not get a permit. The model from the state does not provide the stop work order language. I spoke with Mr. Burleson and he was fine with including the stop work order language if the Board felt that was important.

Garry Benfield, Inspections Department, stated that this stop work order language needed to be in the ordinance otherwise we would have to go through the court system.

Ms. Poore stated that she did not have a problem with the stop work order language being included in the ordinance.

Motion by Martha Hicks and second by Glenn Johnson to approve the Soil and Erosion Sedimentation Ordinance with the language for Stop Work Order to be included.

Glenn Johnson said he would like some verification for excluding the Christmas trees and native nursery plant production. Ms. Poore stated that this language was put back in.

Motion unanimously approved (Phyllis Forbes voted via telephone).

Ms. Poore stated that there was a memorandum of agreement that the state wanted indicating that the ordinance had been adopted. Mr. Burleson does need that this month to send to the State Board.

Motion by Martha Hicks and second by Glenn Johnson to approve the Memorandum of Agreement relating to the Soil and Erosion Sedimentation Ordinance. Motion unanimously approved (Phyllis Forbes voted via telephone).

Approval of Minutes

Motion by Martha Hicks and second by Phyllis Forbes to approve the minutes of the Regular Session January 7, 2013. Motion unanimously approved (Phyllis Forbes voted via telephone).

Agenda Consent Items

Adopted by Consensus of the Board.

Glenn Johnson pointed out that the Board had received a letter from the NC DOT regarding the Resolution that was sent to the NC DOT regarding the road at Heaton.

Informational Items

The Coroner's Report was included in these items.

Upcoming Meetings

The next Regular Meeting will be March 4, 2013 at 3:30 p.m. Public Hearing will be held at that time regarding closing out the NC Tomorrow Project at 3:50 p.m.

Reo Griffith asked if it would be possible for the five board members to have workshop and talk about the solid waste contract. Chairman Poteat stated that we would work toward a special meeting for this workshop in March.

Reo Griffith questioned "if it was the consensus of the Board or at least 4 members to proceed with the incubator and proceed with making beer on county property; is that a done deal? Everybody knows where I stand."

Chairman Poteat stated "the incubator will continue as originally proposed."

Glenn Johnson said "I think that is the majority consensus. In all fairness, Reo you have not been privy to a lot of previous conversations and that is no fault of your own, you were not commissioner at that time but we did have conversation regarding the incubator and much dialogue between Bret and the Banner Elk Planning Board and Town Board and it has been consensus of the 5 members previous to you to go forth with the incubator and also with the brewery. Letters of intent have been signed. Mr. Paris is here and he has in fact expended some funds. It is well underway."

Reo Griffith questioned "there is not going to be any more tax dollars spent after the roof has been put on; that is what was said in earlier comment?"

Glenn Johnson said "no, I don't think that is the case. I have never heard of a small business or entity or government creating any jobs without expending some funds. Of course, as time goes on I foresee we will go over there and replace doors and windows and heating systems but anytime you have a building whether it is a barn or school there are funds to be expended to keep that building up. There will be some taxpayer dollars spent and I can see no better use of taxpayer's dollars to create jobs. There is no other way except through economic development. All of this will be done during the budget process."

Phyllis Forbes said that the board made a decision and that this decision stands unless there was something that happened to overturn it.

Chairman Poteat stated that apparently it was a consensus of 4 to 1 to continue with the incubator. There certainly could be other expenses incurred by the county besides the roof.

Martha Hicks said there needs to be handicapped access and bathrooms.

Reo Griffith said "All I wanted to know is if we were going to continue the incubator and sell beer on county property; everyone knows how I stand on that."

Glenn Johnson said hopefully we will recoup some of the funds that are expended on the property.

Martha Hicks said that Mr. Buddy Norris would need to be included in the special meeting dealing with the Reclaimed Resources and solid waste contract.

Adjourn

**Motion by Martha Hicks and second by Glenn Johnson to adjourn this meeting at 7:30 p.m.
Motion unanimously approved.**

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

ATTEST: _____
Cindy Turbyfill, Clerk