

Unsealed by Board of Commissioners 03/28/2011.

SEALED MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
August 23, 2010 – CLOSED SESSION

Closed Session #2

Pursuant to NCGS 143-318.11 (a) (3) to consult with an attorney and (a) (5) to instruct staff or negotiating agents concerning the position to be taken on the potential acquisition of real property. Present were Chairman Chappell, Commissioners Bullock, Hawkins, Hogsed and Phillips, County Manager Artie Wilson, County Attorney Curtis Potter, and Clerk to the Board Trisha Hogan.

The Manager reported that he, Chairman Chappell and Commissioner Hawkins recently met with Board of Education Chairman Chris Whitmire, Vice-Chairman Tawny McCoy and Superintendent Dr. Jeff McDaris to discuss the QSCB bonds and status of the CTE building. Chairman Whitmire brought up the issue of the Peter Vitalie plant closing and mentioned that the Board of Education is interested in pursuing the building rather than constructing a new CTE building on their own site. The bids on a new CTE building came in at over \$2 million which was nearly \$1 million over budget. The Board of Education signed an agreement with the County stating they would be responsible for any cost overages on the project. The Board of Education rejected all the bids and is now exploring other options and they believe the purchase of the Peter Vitale is a golden opportunity for them. The building may be available to them via short sale at a reduced price. The bank was the only bidder on the property at approximately \$975,000. There were no upset bids made.

The Board of Education believes it can purchase the building in the \$500,000-\$600,000 range and use the remaining funds to renovate the facility. Since the meeting, the Manager has contacted BB&T who holds the QSCB loan and inquired about the possibility of a project scope change. BB&T was not opposed; however they brought up the issues of legality because federal regulations do apply. The Manager also contacted the Department of Public Instruction and the Local Government Commission (LGC) and again the question of legality remained. The LGC contacted the Treasurer's Department regarding this matter and because of the uniqueness of this situation, they were unable to provide an answer. Federal regulations indicate the County can purchase a piece of land and construct a new building or renovate a building or construct a new building. They do not, however, state that the County can buy a piece of property with a building on it and renovate the building. At this point the County has been encouraged to confer with its bond counsel. The County Attorney recommended using the legal services of Parker Poe who has a background in dealing with tax issues.

The Manager reported one major stipulation is that the Board of Education must spend 10% of the monies within six months of the loan closing. They have spent 10% on architectural fees at this time, but the Manager is unsure if that will apply if the project scope is changed. The County could be penalized if the rules and regulations are not followed.

The Manager believes the next steps in this process should be identifying the renovation costs in order to determine an asking price for the facility, what should be done with such a large facility and whether or not the renovations can be completed in phases.

The Manager will consult with Parker Poe and the County Attorney and determine a time frame for when they can provide a legal opinion as to whether or not the County can move forward.

The Board of Commissioners and the Board of Education have another two-on-two meeting scheduled for September 14, 2010. It was the consensus of the Board to move forward with consulting with legal counsel.

Chairman Chappell moved to leave closed session, seconded by Commissioner Bullock and unanimously carried.

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan
Clerk to the Board