

Unsealed by Board of Commissioners 04/13/2015.

**SEALED MINUTES
TRANSYLVANIA COUNTY BOARD OF COMMISSIONERS
January 14, 2013 – CLOSED SESSION**

Closed Session #2 Project Bottle & Bio-Diesel Update

Per NCGS 143-318.11 (a) (3) to consult with an attorney, (4) to discuss matters relating to location or expansion of industries or businesses, and (5) potential acquisition of real property. Present were Chairman Hawkins, Commissioners Chapman, Chappell, Hogsed and Lemel, County Manager Artie Wilson, County Attorney David Neumann, Planning and Economic Development Director Mark Burrows and Clerk to the Board Trisha Hogan.

Project Bottle

The Manager provided an update from the December 10, 2012 Board of Commissioners' meeting. At the last meeting, Commissioners instructed staff to meet with a local business owner who is considering relocating away from Transylvania County to identify his space needs and then meet with a local architect to draft a preliminary drawing and determine a cost estimate for a new facility. The business owner indicated his facility needs would be 105,000 square feet. The architect estimated a construction cost ranging from a low of \$40.20 per square feet to a high of \$44.22 per square feet.

The Manager also followed up with TVS about the potential purchase of property. The purchase of this property could be very likely if this project were to move forward. Total costs, which includes the construction of the facility and the purchase of land, range from \$5.4 million to nearly \$6 million. The Manager pointed out these are very rough figures. Also, a local bank is quoting an interest rate of 3.1%. The Manager provided figures up to a 4% interest rate to indicate the lease payment needed to cover the debt service on the project. This is also assuming the business owner pays the utilities, taxes and insurance. The figures also included estimated maintenance costs for the facility.

The business owner expects 40 net new jobs created with the expansion of the business. The Manager and Mr. Burrows have another meeting scheduled with the business owner tomorrow to further discuss this project.

If the County were to proceed with this project, along with signing a long-term lease on a new facility, the lease cost would be based on the cost of purchasing land, constructing a building, and the interest rate on a loan, which covers the debt service on a loan. Mr. Burrows has made contact with a private company that is interested in constructing a facility for the business owner, so this is another option on the table. The question, however, becomes how long is the business owner willing to wait to see this project occur. The business owner hopes to make a decision about relocating over the next two months. That does not mean the business owner needs a facility in this County within that time frame. Should the business owner decide to move forward with a private developer, the County would still be responsible for assisting with other financing resources, such as grants.

Staff requested permission to proceed with the project, that meaning to continue meeting with the business owner and discussing a timeline, assuming Commissioners want to pursue the project, and possibly bringing in a private developer to construct a facility. Proceeding forward also allows the County to continue facilitating the purchase of property at TVS.

After discussion and by consensus, Commissioners instructed staff to continue conversations with the business owner and to gather additional information on the number of jobs that will be created through the

expansion along with the salaries and wages of those jobs. Commissioners also instructed staff to continue working with a private developer.

Bio-Diesel Update

Mr. Burrows also updated Commissioners on the biodiesel plant project. This is a project that has been ongoing for two years and it involves a local property owner. The project developers intend to make a decision on this project in 2013. They intend to investment \$20 million into this project and create 24 jobs. They have changed their focus somewhat and divided the project into two phases. The first phase is to generate electricity. The second phase will be to generate biodiesel fuel. Staff continues to work with all those involved to assist where needed. There has been no County dollars invested in this project. If this project moves forward, there will be a public education component with it.

Chairman Hawkins moved to leave closed session, seconded by Commissioner Chapman and unanimously carried.

Mike Hawkins, Chair
Transylvania County Board of Commissioners

ATTEST:

Trisha M. Hogan, Clerk to the Board