The Alleghany County Board of Commissioners met in special session on Thursday, January 22, 2015, at 6:30pm in the Board Meeting Room of the County Administration Building, 348 South Main Street, Sparta, North Carolina.

Present: Chair Tom Smith, Vice-Chair Karen Leys, Commissioner Larry Davis, Commissioner Mark Evans, Commissioner Bobby Irwin, and County Manager Don Adams. County Attorney Donna Shumate and Clerk to the Board Karen Evans were absent.

Chair Smith called the meeting to order. He explained the purpose of the meeting.

The County Manager reiterated the purpose of the meeting. He said the first step for economic development growth is to have to basic knowledge of what Alleghany County can legally do in regards to economic development incentives. He stated we are limited in scope to what we can do. He explained that we need to partner with other agencies to accomplish the goals in the Alleghany County Economic Development Plan. He provided everyone copies of North Carolina General Statute (NCGS) 158-7.1. He explained that this NCGS applies to both counties and towns, and this is the authorizing statute for economic development. He read the NCGS and started explaining it.

Chair Smith asked if this applies to any size business.

County Manager Don Adams answered yes, and it has been extended out to small businesses. He explained the problem with small businesses is when you calculate the return on investment. He provided examples where assistance was provided mainly through the Rural Center’s Building Reuse Program. He talked about the healthcare industry allows for a little more flexibility and provided examples; dentist and vets. He continued reviewing the Statute including a public hearing is required. He talked about having the ability to convey property and explained how that can occur based on the return on investment. He used examples of Bristol Compressors and Magnolia and explained the difference between these two examples. He said the County Commissioners need to decide how to interpret this section. He continued reviewing the language of the Statute. He stated the standard wage in 2014 was $447, which is from Commerce’s website.

Commissioner Irwin and the County Manager talked about the County Manager doesn’t know how that wage amount is determined but assumes the information comes from the quarterly wage reports that employers must complete. They further talked about this covers all industries. County Manager Don Adams stated that this is an average of all businesses.

County Manager Don Adams continued to review the Statute for economic development. He talked about the net-debt percentage. He said that he followed up from the last meeting about debt by putting the debt spreadsheet in everyone’s mailboxes and the net-debt ratio is on that spreadsheet. He talked about he skipped the Local Government Commission’s oversight covered in the Statute. He explained that these are the rules we deal with and can do a lot through partnerships. He provided examples. He talked about our ability and willingness to work with these agencies mentioned in the Pan. He went back to the key question about the return on investment and the decision to consider property taxes alone or consider all of the other revenues also. He said property tax and sales tax on the construction are the only things that can be tracked. He showed everyone examples of statistics right after Martin Marietta closed and Bristol Compressors economic development deal statistics.

Commissioner Irwin and County Manager Don Adams talked about the number of people employed at Bristol Compressors who lived in Alleghany County; 60%-70%.

The County Manager continuing reviewing the Bristol Compressors deal. He reviewed the Magnolia deals and the return on investment. He showed some other examples including Martin Marietta, Spring Ford, Napco, Carolina Narrow Fabrics, Parker Sales, New River Artisans, Andrews Trucking, and Tri-State Components. He talked about the creativity of economic development. He used examples of workforce development provided through Wilkes Community College and occupancy tax through the Tourism Development Authority.

Chair Smith and County Manager Don Adams talked about the return on investment for property when conveyed to businesses for an economic development deal. The County
Manager said that these rules only come into play when conveying County property to a private business.

The County Manager explained the purpose is trying to get things moving through partnerships and today is about what we can do and what are our priorities.

Commissioner Irwin asked are Alleghany County and Town of Sparta on the same page. Town Manager Bryan Edwards said he thinks so because things that are good for Alleghany County is also good for the Town.

Commissioner Irwin talked about natural gas is a must. He said that the Town’s septic system worries him. Town Manager Bryan Edwards said that they currently have some excess capability. County Manager Don Adams and Town Manager Bryan Edwards talked about the grants the Town received for Magnolia. County Manager Don Adams said he doesn’t know how an industry could locate outside the Town’s water/sewer. Town Manager Bryan Edwards used an example of the old Napco facility used private water and sewer then it failed so a grant was obtained to be hooked up to the Town’s sewer. Commissioner Evans mentioned that the requirements for septic systems have changed since that building was built too. The Town Manager said it was built around 1984.

Town Manager Bryan Edwards talked about the partnership between the Town and the County for an industrial park. Commissioner Davis mentioned that a place would have to be found.

Commissioner Irwin asked about the effects on property values if an industry comes in. The County Manager talked about it depends on a lot of things and used Magnolia as an example where there may have been an increase because of the utilities that were installed but not because the industry is there.

Chair Smith talked about how the Economic Development Plan was created, has a lot of partnerships with other entities, the need to take a look at it and see how we are accomplishing some of these goals. He mentioned creating the committees and starting the dialogue with them. He talked about referring to the Plan often.

Commissioner Evans talked about the need to focus to be going in the same direction.

Commissioner Leys talked about a lot of time was spent on this, and they continue to brainstorm. She said they have the suggested names for the committees.

Commissioner Irwin asked if we have heard from Commerce about the new incentives or public/private partnerships. Commissioner Irwin mentioned conversations with Ernie Pearson. The County Manager talked about what he is aware that Ernie Pearson is doing with a bill being pushed, and it has multiple supporters. They talked about the bill before the General Assembly.
Commissioner Leys asked the County Manager to talk about Alleghany County’s current infrastructure in terms of buildings and land. The County Manager answered the only building available is Village Park and no land is available. He talked about the amount of work to have a certified industrial site. He explained, at a minimum, what is needed for land and buildings. He talked about building a spec building that meets today’s standards.

Chair Smith talked about it hasn’t been long since people were looking at the Bristol building. The County Manager explained the types of things people are looking for and that building meets those types of criteria. Chair Smith and the County Manager talked about that building showed well statewide. Commissioner Leys said the problem is surrounding areas have buildings and land.

Town Councilman Chris Jones asked the County Manager to explain why the visits didn’t go further. County Manager Don Adams explained the competition was greater then, reasons varied by the companies, and provided an example of one company’s executives didn’t want the rural nature of the community. The County Manager further explained we lost to other states or urban areas but our area shows great and that he doesn’t get told their reasons for not locating here.

Commissioner Evans talked about workforce would be high on the list. He gave an example of a company relocating to Elkin and having problems filling the positions.

The County Manager talked about other examples about our workforce.

Commissioner Irwin talked about the areas that we compete with including a number of companies went to Independence during the past two years. Commissioner Leys said the difference is Virginia gave them a lot of money.

Chair Smith asked the County Manager to review getting monies in North Carolina versus Virginia.

Commissioner Leys asked how much taxes we have to levy to get $1,000,000. County Manager Don Adams explained that right now 1¢ is $168,000. She talked about raising the money.

Commissioner Irwin talked about grant money and until the Board decides which way to go, which the Plan should help with, he doesn’t think it’s for the Commissioners to decide because he thinks the community has to decide because it’s the community that has to pay for it. He talked about the committees coming up with 2 or 3 priorities then we as a community decide which priority is first. He said we can’t afford $25,000,000 this year to go build an industrial site. He stated for the community to go forward we need more jobs.

Commissioner Evans agreed about the community being on board with this as well.

Chair Smith talked about the community had a lot in forming the Plan. He further talked about prioritizing what comes out of the committees and publicly discussing these things on a regular basis.

Commissioner Leys said some strategies could become jobs. Commissioner Evans added at low costs too.

Chair Smith talked about the partnerships in the Plan and the need to get the word out that it’s not just the County doing this. He said that he would like to see some of these things happen and it depends on where this Board wants to take this.

Commissioner Davis asked how many people are unemployed currently. The County Manager stated it is 5.8%. Commissioner Leys said this is part of the reason we are a Tier 1 county. She talked about the first step is to set up the committees then give them a charge along with a certain amount of time and they come back with ideas and goals. She stated the need to make the network as large as possible to create jobs. Chair Smith agreed.
Commissioner Evans said we have a lot here; fiber is better here than in downtown Charlotte. He talked about we need to leverage our strengths to minimize our weaknesses.

Commissioner Evans asked how many people will be on the committees. Commissioner Leys answered with an average of 8-10. Commissioner Irwin answered there are 5 or 6 committees with 103 names, they are trying to contact people to see if they want to serve on the committee, they meet again on Monday and hopes to have a list soon of the people who want to serve on the committees. Chair Smith talked about the ag committee is already formed. The County Manager agreed, and said they are meeting soon to start prioritizing.

Chair Smith talked about partnering on the ag portion. He said there are a lot of reasons to be excited with this Plan, and we can do well with this.

County Manager Don Adams said he needs direction sometime on how the Board of Commissioners view the County’s interaction with businesses. He explained his conversations with businesses and he uses the conservative approach with the understanding it has to go before the elected Board. He said if there are differences of opinion on this, we need to discuss this further.

Commissioner Irwin said the Board doesn’t have to decide tonight. Chair Smith said no. The County Manager said this was just an educational session.

County Manager Don Adams summarized what he is hearing with the Plan and getting priorities from the committees then move forward from there. Chair Smith agreed. Commissioner Irwin said he thought the Board had already decided that when the Plan was approved so now it’s full steam ahead.

County Manager Don Adams reiterated the purpose of tonight’s meeting. He explained what he is talking about in regards to incentives. He reviewed what the County can do according to the NCGS and everything else is accomplished through partnerships.

Commissioner Irwin talked about we aren’t starting from the beginning.

Chair Smith said people say to build a factory to put people to work. Commissioner Davis added then people say how are we going to pay for it. Commissioner Evans said how can we not afford it, to a degree. He gave an example of if a business came in what can we do and entertaining anything if it makes sense for the County because all options are on the table until the Commissioners rule them out.

Being no further business, Commissioner Irwin made a motion to adjourn at 8:25pm. Commissioner Davis seconded the motion. Vote 5:0.

Respectfully submitted, Attest:

Karen Evans        Tom Smith
Clerk to the Board  Chair