The Cleveland County Board of Commissioners met in a regular session on this date, at the hour of 6:00 p.m. in the Commission Chamber of the Cleveland County Administrative Offices.

PRESENT:

Susan Allen, Chairman
Ronnie Whetstine, Vice-Chair
Johnny Hutchins, Commissioner
Doug Bridges, Commissioner
Deb Hardin, Commissioner
Brian Epley, County Manager
Tim Moore, County Attorney
Phyllis Nowlen, Clerk to the Board
Kerri Melton, Assistant County Manager
Shane Fox, Chief Financial Officer
Chris Green, Tax Administrator
Elliot Engstrom, Senior Staff Attorney
Lorie Poston, E-911Communications Director
Allison Mauney, Human Resources Director
Perry Davis, Emergency Management Director/Fire Marshal
Ryan Wilmoth, Emergency Medical Services Director
Jason Falls, LeGrand Center Executive Director
Jane Shooter, Interim Social Services Director
Scott Bowman, Maintenance Director
Daryl Sando, Electronic Maintenance Director
Marty Gold, Information Technology Director
Clifton Philbeck, Elections Director

CALL TO ORDER

Chairman Allen called the meeting to order and Assistant County Manager Kerri Melton provided the invocation and led the audience in the Pledge of Allegiance.

AGENDA ADOPTION

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Bridges and unanimously approved by the Board to, approve the agenda as presented.

SPECIAL PRESENTATION

Chairman Allen recognized Anne Short, Community Health Services Director to speak about National Public Health Week for 2019. Ms. Short stated National Public Health week places emphasis on the Cleveland County Public Health Center Mission Statement, which is: “to assure, enhance and protect the health of Cleveland County citizens through education and prevention.” Ms. Short updated the Board on upcoming programs and events at the Health Department.
CITIZEN RECOGNITION

No one registered to speak.

CONSENT AGENDA

MONTHLY MANAGER’S REPORT

- The County has earned approximately $920,000 in Investment Income year to date through March 31, 2019. This is in comparison to $560,000 received at this time prior year.

- The County’s Central Collections department has received a total of $129,500 in Debt Setoff Payments from the Clearinghouse year to date, this is in comparison to $65,000 received at this time prior year.

- The County Annual Budget process is well underway. The County’s Finance Department has completed all departmental meetings and have begun to estimate revenues and meet with Central Administration to discuss the strategic goals and priorities of the Board of Commissioners.

- Interim Audit work is scheduled to take place in the next couple of months with our third-party external audit firm, Thompson, Price, Scott, and Adams. Interim work will consist of substantive testing, compliance testing and internal control and will take place over two in-house visits.
CAPITAL PROJECTS: BUDGET AMENDMENT (BNA #031)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, approve the following budget amendment:

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Project Code</th>
<th>Department/Account Name</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>486.245.4.409.00</td>
<td></td>
<td>Cap Proj-Cleve Co Fair/Local Revenues</td>
<td>$150,000.00</td>
<td></td>
</tr>
<tr>
<td>486.245.5.991.00</td>
<td></td>
<td>Cap Proj-Cleve Co Fair/CO-Const in Progress</td>
<td>$150,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Revisions: Budget $150,000 for an enhancement plan in the works to the CC Fairgrounds that The Dodd Studio is working on. This project is a Streetscape Concept design and fairground entry concept plan that addresses needed improvements along US74 (E Marion St) from the LeGrand Center to Kemper Rd to help with pedestrian safety and the look of the fairgrounds. The plan also provides recommendations for entrances and exits to the fairgrounds and concepts for new entry and ticketing facility. The total cost of the project is expected to be $300,000 with the County and Fair splitting the costs.

SHERIFF’S OFFICE: BUDGET AMENDMENT (BNA #032)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, approve the following budget amendment:

<table>
<thead>
<tr>
<th>Account Number</th>
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<th>Department/Account Name</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>010.438.4.310.00</td>
<td>16738-AED2</td>
<td>Sheriff’s Office Grants/Fed Govt Grants</td>
<td>$23,138.00</td>
<td></td>
</tr>
<tr>
<td>010.438.5.211.00</td>
<td>16738-AED2</td>
<td>Sheriff’s Office Grants/Controlled Equipment</td>
<td>$23,138.00</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Revisions: Budget request for $23,138 from Heart Start initiative 2 grant for the purchase of AED machines.

SHERIFF’S OFFICE: BUDGET AMENDMENT (BNA #033)

ACTION: Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, approve the following budget amendment:

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Project Code</th>
<th>Department/Account Name</th>
<th>Increase</th>
<th>Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>010.438.4.350.00</td>
<td>0SHRF-5867</td>
<td>Sheriff’s Office Grants/State Govt Grants</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td>010.438.5.500.01</td>
<td>0SHRF-5867</td>
<td>Sheriff’s Office Grants/Misc Govt Expense</td>
<td>$10,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Revisions: Budget request for $10,000 from Opioid Abuse Grant to cover related expenses.
**RETIREMENT OF K-9 FROM ACTIVE SERVICE**

Sheriff Alan Norman requested retiring K-9 Pascal (county ID# 201054) from the K-9 program. Pascal, a male Belgian Malinois, does not meet the requirements of a multi-purpose K-9 in regards to apprehension. The Sheriff’s Office is requesting to remove K-9 Pascal from county insurance and inventory and assign to Deputy Nikki Warlick who has offered to provide a good home and care for him for the remainder of his life. Deputy Warlick assumes complete custody, control and liability of the canine.

**ACTION:** Commissioner Hutchins made the motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board, to approve the request to retire K-9 Pascal from active service and assign to handler Deputy Nikki Warlick.

**LeGRAND CENTER: PARKING LOT USER AGREEMENT**

Cleveland Community College (CCC) owns the lower parking lot of the LeGrand Center. This area of the parking lot is heavily used by the County in connection with numerous LeGrand Center activities. CCC does not object to this use, but would like to enter into a User Agreement with the County. The Senior Staff Attorney has worked with CCC leadership to draft a User Agreement that addresses the County’s use of the parking lot, including items such as alcohol at events, weapons, maintenance, and signage. The County will pay an Agreement Fee to CCC for its use of the parking lot which will be tied to the amount that CCC pays for surfacing and landscaping services. The term of the User Agreement runs through April 2, 2029, unless terminated sooner by the parties. The parties will be free to extend the agreement by a separate writing. *(copy found on Page ____ of Minute Book____).*

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, approve the LeGrand Center parking lot user agreement.

**UPDATE TO COUNTY MANAGER’S CONTRACT**

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Whetstine, and unanimously adopted by the Board to, approve the first addendum to the employment contract for County Manager Brian Epley.
Chairman Allen called Chris Martin, Senior Planner, to the podium to present the re-zoning request for property along Princess Lane to be re-zoned from Restricted Residential (RR) to Light Industrial-Conditional Use District (LI-CD). The conditional-district will allow conditions to be placed on the application to help any potential uses of the property be compatible with the surrounding area. The property is approximately forty acres and consists of four adjoining parcels. It is located on Princess Lane, off Highway 180 behind Fisher’s Tree Service and Christine’s Homes, and also adjoining the future 74 Bypass. Mr. Fisher has acquired the property and wishes to operate a mulch producing and green waste recycling facility on the large parcel and leave the four adjoining parcels as residential to provide an additional buffer to the neighborhood. He has submitted an application and site plan showing how the property will be used. This business will accept green waste, such as grass clippings, leaves, limbs, trees, and stumps, and then recycle the material into mulch and firewood. There will be equipment on the property to achieve that goal. This type of facility requires the owner to apply for and comply with a North Carolina Department of Environmental Quality (NCDEQ) permit. Mr. Fisher has been in contact with NCDEQ and understands their requirements in terms of zoning, such as fire prevention, composting/mulching methods and that
an annual log is to be kept. The County is able to implement conditions to Mr. Fisher’s application, if appropriate, such as:

- Obtain any permits required by NCDEQ
- Obtain any required NCDOT driveway permits
- Limit hours of operation of mulching or grinding equipment
  Example: 8:00am- 6:00pm, No Sundays
- Site Plan adjustment: Relocate "stumps" to an area south of Princess Lane, increasing the distance from Scenic Drive.
- Install additional evergreen trees and possibly a berm along the northern property line to increase buffering for Scenic Drive.

Mr. Fisher owns an existing business that adjoins this property. The existing business includes tree services and firewood sales. The property is zoned Restricted Residential (RR) along with the surrounding properties on the west side of Highway 180. The east side of the highway includes General Business (GB) zoning, Residential (R) zoning, and some Heavy Industrial (HI) along Airport Rd. The surrounding uses are mixed, including a neighborhood to the north and various businesses along Hwy 180 and Airport Rd, including the tree service business, a landscaping and nursery business, storage buildings, lamp manufacturing, Spake’s Concrete, and an auto salvage business further down Airport Rd. The Land Use Plan designates the proposed parcel as future residential, while showing the east side of Hwy 180 as future industrial. An approval of this zoning change request would also require the industrial designation to be expanded to cover Mr. Fisher’s property by an amendment to the Land Use Plan. North Carolina General Statues require local zoning to match the Land Use Plan. The application was presented to the Planning Board who voted unanimously to recommend postponing their decision until after the April 22, 2019, Planning Board meeting) to give staff time to gather more information on some of their concerns. Since the last Planning Board Meeting, staff has been able to gather the information to their questions and concerns such as:

1. Is there run off and what are the requirements?
   NCDEQ permit is required. DEQ plans illustrates:
   - erosion control methods
   - compliance with local zoning ordinances
   - composting methods plan
   - mulching methods
   - materials received at facility volume of materials
   - stream and water buffering
   - fire prevention plan
   - letter from Army Corp if potential wetland area

2. What is currently on the property?
   The property was cleared by previous owner. There is tree debris on property and there are some existing tree areas remaining. Mr. Fisher has installed some seedling loblolly pine trees along the eastern property line.

3. Is there any existing vegetative buffering?
   Yes, however, additional buffering may be needed.

4. Is Princess Lane with the NCDOT maintenance system?
   No.

5. What type of waste is permitted?
   NCDEQ permit is required and standards must be followed. Green Waste includes stumps, limbs, leaves, shrubs, grass clippings and other landscaping/vegetative waste.
6. What are the burning requirements?
A burning permit is required from the Fire Marshall. Permits have been obtained for two burns on the property.
Chairman Allen opened the Public Hearing at 6:30 pm for anyone wanting to speak for or against rezoning case 19-04; request for property along Princess Lane to be re-zoned from Restricted Residential (RR) to Light Industrial-Conditional Use District (LI-CD). (Legal Notice was published in the Shelby Star on Friday, March 22, 2019 and Friday, March 29, 2019).

Stephen Fisher, 1323 North Post Road, Shelby – is the land owner on Princess Lane and spoke in favor of approving the re-zoning request. Mr. Fisher stated his business has grown to the point where the waste is a burden. He is a certified tree safety specialist and is a licensed arborist with over thirteen years of experience and professionalism. Mr. Fisher is currently working with NCDEQ regarding their requirements and land use conditions. He continued by reviewing to the Board the business plans he has for the property, the natural buffering that will be planted and the avenues he wants to take to ensure he is a good neighbor to the surrounding homes. Mr. Fisher thanked the Board for their time and consideration regarding his re-zoning request.

Mark Smith, 122 Centerfield Drive, Shelby – spoke in favor of the approving the re-zoning request. Mr. Smith works for Fisher’s Tree Service. Mr. Smith echoed many of Mr. Fisher’s comments in regards to wanting to the business growth, being a respectable neighbor and keeping the property clean. Mr. Smith thanked the Board for the opportunity to speak.

Wanda Horn, 1187 Scenic Drive, Shelby – spoke about her concerns regarding how long the natural buffering will take to grow. She also had distress if the property is re-zoned from Residential (R) to Light Industrial (LI) and Mr. Fisher decides to sell the property at a later date – how will that affect the neighborhood.

Hearing no further comments, Chairman Allen closed the Public Hearing at 6:40 pm.

Chairman Allen opened the floor to the Board for questions and discussion. Commissioner Hutchins asked Mr. Martin if any of the additional buffers, such as the dirt berm, Mr. Fisher discussed were in the submitted site plan. He asked, if not, can it be added to ensure the buffers are done as requested? Mr. Martin addressed Ms. Horn’s comment. In reference to the berm, Mr. Martin replied the berm is not included on the site plan however, as the request is for conditional use, the board could request this as a condition. If the petitioner were to sell the property at a later time, the next owner would have to use the property as the same business and under the same conditions that was initially approved. If there are conditions the Board adds, a new site plan would be required to show any additional modifications to the property. Site plans can be changed. If the board were to Add conditions, they would need to be very clear on those so staff knows how to instruct the petitioner to change their site plan.

Commissioner Whetstine commented on the hard work, dedication and many late hours the Planning Board has put in recently. He recommended approving their request in postponing a decision until after the April 23, 2019 Planning Board Meeting. Commissioner Hutchins agreed with the great work the Planning Board has done however, the questions they had in regards to the re-zoning request were answered in tonight’s presentation and inquired on why the Board needs wait another two weeks. The Board had further discussion on whether to give the Planning Board the time they requested or to go ahead and vote on the application as presented.
**ACTION:** Commissioner Hardin made a motion, seconded by Commissioner Bridges, and passed by the Board 4-1 (Commissioner Hutchins opposed) to, **postpone the decision of the rezoning request for property along Princess Lane to be re-zoned from Restricted Residential (RR) to Light Industrial-Conditional Use District (LI-CD) until the May 7, 2019 Regular Meeting,** to allow the Board to receive and evaluate the recommendation from the Planning Board.

**REGULAR AGENDA**

**DORAN MILL MARKET STUDY**

Chairman Allen recognized County Engineer Greg Pering to give an update on the clean up process at the Doran Mill. Mr. Pering reviewed the following PowerPoint:
Chairman Allen opened the floor to the Board for questions and discussion. Commissioner Hutchins asked County Manager Brian Epley for clarification, “the original clean up bid price was quoted for over $2 million dollars in the 2009 – 2011 time frame. The Doran Mill is now demolished and the site is completely cleaned up costing the County only $800,000 which is drastically under the original quoted price.” County Manager Epley advised that is correct.

Kevin Ammons from Cole Jenest and Stone, P.A. came to the podium to present the Doran Mill Market Study. Cole Jenest and Stone was contracted by the county over a year ago to look at the Doran Mill site to complete a highest and best use analysis. The first step in the study was to look at infrastructure, natural resources, distance and access to surrounding areas. A market study was then done to show population growth, average household income and job growth. The study showed that while the population of Cleveland County is slightly declining, there has been a light growth in the city area which seems to be the positive trend across the
region. As job growth continues so does the annual income of the residents. Several key findings from the study show the site has the opportunity to offer a mix of new, modern multi-generational housing that ties to the adjacent greenway and downtown and the potential to bring one or more businesses to the large parcel in the form of flex/industrial space.
County Manager Brian Epley approached the podium next to present the Best Use Options for the Doran Mill site. A wide variety of options have been developed through a steering committee comprised of representatives from the City of Shelby, the Manager’s Office, Economic Development staff and other County personnel. The committee has met with Cole, Jenest and Stone, P.A. to work through the multiple options and narrow down the best use and logical options for short term return, midterm return and long term return. Mr. Epley reviewed the following PowerPoint to the Board:

**BEST USE OPTIONS**

**OPTION 1 - SHORT-TERM RETURN - SELLS PROPERTY AS IS**

**Short-term Return on Investment**

<table>
<thead>
<tr>
<th>Investment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Acquisition Costs</td>
<td>$300,000</td>
</tr>
<tr>
<td>Doran Mill Demolition and Cleanup Costs</td>
<td>$830,000</td>
</tr>
<tr>
<td>Total County Investment</td>
<td>$1,130,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Return on Investment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selling Price (75 acres at $10,000 per acre)</td>
<td>$750,000</td>
</tr>
<tr>
<td>Immediate Return on Investment</td>
<td>($380,000)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxes paid per year (land value only)</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$4,275 per year</td>
</tr>
</tbody>
</table>

**Option 1- Sell Property as is**

**PROS**
- Quick return
- Requires limited staff resources
- No additional investment required

**CONS**
- Return on investment is less
- Issues with the issue of established housing inventory and lack of diversity
- Negative impact on property development
- Difficulties in selling 75-acre parcel – west side
- Loss ability to leverage the water tower for historical purposes

**OPTION 2 - MID-TERM RETURN - INDUSTRIAL SITE**

**Mid-term Return on Investment**

<table>
<thead>
<tr>
<th>Investment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired through Tax Foreclosure</td>
<td>$300,000</td>
</tr>
<tr>
<td>Clean-up</td>
<td>$830,000</td>
</tr>
<tr>
<td>Site Grading (200,000 cy x $3 per cy)</td>
<td>$600,000</td>
</tr>
<tr>
<td>Utilities (Partnership with City of Shelby)</td>
<td>TBD</td>
</tr>
<tr>
<td>Total Investment</td>
<td>$1,730,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Return on Investment</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land may be given as part of incentive</td>
<td>$0</td>
</tr>
<tr>
<td>Taxes paid per year (less annual interest)</td>
<td>$150,000 per year</td>
</tr>
<tr>
<td>11.5 years Return on Investment</td>
<td></td>
</tr>
</tbody>
</table>
Option 2 - Industrial Site

**PROS**
- Solid history of developing land for industrial use and marketing it to new industries
- Trial and true approach
- Reinforced need for shovel-ready sites
- Job creation and new capital investment

**CONS**
- Does not add diversity to existing product lines
- Does not address displaced housing inventory
- Area special plan does not lend itself to industrial development
- 33-acre parcel would be difficult to sell
- Utility modification needed
- Lose ability to sue the water tower for historical purposes

Option 3 - Mixed Use

**PROS**
- Address housing shortage with the ability to influence and leverage
- Architectural aesthetics
- Hands-on (site-specific) (initial purchase)
- History of Downtown MI
- Available housing other townships commerce
- Uptown "The Mile"
- Usable Massey Trail systems
- Mixed-use would generate a diverse stream of new property tax revenue
- County has already invested significantly in the property
- High likelihood it will attract other developers

**CONS**
- New type of project for Cleveland County
- Unknown risk with infrastructure development
- Return on investment more delayed
- Fewer relationships with residential developers

**OPTION 3- LONG TERM RETURN - MIXED USE**

**Long-term Return on Investment**

- **Investment**
  - Acquired through Tax Foreclosure: $300,000
  - Clean-up: $830,000
  - Site Grading (200,000 cu yd x $3 per cu yd): $TBD
  - Utilities (Partnership with City of Shelby): $TBD
  - **Total Investment**: $1,730,000

- **Return on Investment**
  - 159 New Residential Units (tax only): $205,000
  - Flex space (150,000 sq ft): $TBD

**BOARD DIRECTION**

**OPTION 1 - SELL PROPERTY AS IS**

**OPTION 2 - INDUSTRIAL SITE**

**OPTION 3 - FURTHER DEVELOP MIXED USE PLAN**

- 5 – 10 year County-wide housing market study (120-160 days)
- Establish interest with private market developer to better quantify any County/Public Investment that would be needed.
Chairman Allen opened the floor to the Board for discussion and questions. Commissioner Hutchins commented about the housing study for option three. “The study needs to include if it is more feasible to do smaller housing projects spaced throughout the county instead of investing in a ten-million-dollar project. By doing smaller projects, local builders and contractors may be interested in assisting rather than doing the large project by contractors who are from other areas.” He added, “a ten-year market study for industrial demand needs to be done. Having the studies done will allow the county to see if its more achievable to build smaller developments or one mega development.” Mr. Epley stated that is something staff can execute however option three, according to recent data, show mixed-use concept is the growing housing trend amongst millennials and empty nesters. They are wanting to live in these types of communities. Commissioner Hutchins inquired if the trend is only in the rural areas or is it in the larger cities? Rural areas may not be able to provide the same infrastructure and resources that larger cities can. Mr. Epley advised, “with either option, we are looking to partner with a private company, understanding what their expectations would be is a baseline of where to start.”

Commissioner Whetstine reflected on previous business chances the county has taken such as the shell buildings and spoke of the new modern types of businesses that continue to come to Cleveland County. He stated a new innovated idea like option three would keep the county in line with continued growth of communities.

Commissioner Bridges agreed with Commissioner Hutchins in having the two studies done to assist the Board in making a solid and informed decision on which direction to take. He also commented on how the county is in need of additional housing. Mr. Epley remarked, on a recent in-depth study Burke County has done with their Realtor’s Association Board the results show they are significantly short on housing for their residents. This same type of study would be beneficial to Cleveland County in deciding to pursue option three or not. Chairman Allen echoed many of the comments made by Commissioner Hutchins and Commissioner Whetstine. She added having a real estate market study would be a key piece in deciding which option would be best for the county. After further discussion amongst the Board, Chairman Allen stated, “we, the Board, need to put direction to staff to look at option two and option three for them to move forward to do the studies and gather further information.” Commissioner Whetstine added, “I’m not disagreeing the county can’t use another shell building, but in my opinion, they need to be a little further away from town and not right next to our trail system that is coming and not to destroy a historical site. Once a shell building is put at that location, it will never look the same. If we can put a flex space there, we could bring that area back to life and vitality for people to live and play there.” The Board had further discussion regarding flex space in that area.

Mr. Epley advised, once direction is given from the Board, if they would like to proceed for option three, a market analysis will be conducted to get more clarity from the private market owners and input from the public. Once staff has all of that information, it will be brought back before the Board and will allow staff to work with the Department of Commerce and our consultants to give the Board a better demand of the inventory and county needs.
**ACTION:** Commissioner Whetstine made a motion to, *conduct the studies to move forward with option three.*

The motion died due to the lack of a second.

**ACTION:** Commissioner Hutchins made a motion, seconded by Commissioner Bridges and passed 3-2 (Chairman Allen and Commissioner Whetstine opposed) to, *conduct the studies for option two and option three.*

**COMMISSIONER REPORTS**

Commissioner Hardin – recently toured several county buildings and attended the Medicaid Transformation Conference in Durham.

Commissioner Bridges – gave an update on the construction progress at the airport.

Commissioner Whetstine – attended the Employee Recognition Luncheon with the other Commissioners.

**RECESS TO RECONVENE**

There being no further business to come before the Board at this time, Commissioner Whetstine made a motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, to *recess to reconvene.* The next meeting of the Commission is scheduled for **Friday, April 12, 2019 at 1:00 p.m. in the Commissioners Chambers located at 311 E. Marion St., Shelby for a public hearing.**

__________________________
Susan Allen, Chairman
Cleveland County Board of Commissioners

__________________________
Phyllis Nowlen, Clerk to the Board
Cleveland County Board of Commissioners