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

**PRESENT:**
- Doug Bridges, Chairman
- Deb Hardin, Vice-Chair
- Johnny Hutchins, Commissioner
- Kevin Gordon, Commissioner
- Tim Moore, County Attorney
- Brian Epley, County Manager
- Phyllis Nowlen, Clerk to the Board
- Kerri Melton, Assistant County Manager
- Kristin Reese, Cleveland County Economic Development Director
- Martha Thompson, Deputy County Attorney
- Chris Martin, Planning Director
- Sherry Lavender, Tax Assessor
- Perry Davis, Emergency Management/Fire Marshal

**ABSENT:**
- Ronnie Whetstine, Commissioner

**CALL TO ORDER**

Chairman Bridges called the meeting to order and invited anyone from the audience to lead the Pledge of Allegiance and provide the invocation.

Hearing no volunteer, Commissioner Hutchins provided the invocation and led the audience in the Pledge of Allegiance.

**AGENDA ADOPTION**

**ACTION:** Commissioner Hardin made the motion, seconded by Commissioner Gordon and unanimously adopted by the Board to, approve the agenda as presented.

**SPECIAL RECOGNITION**

Chairman Bridges recognized Perry Davis, Emergency Management Director and Fire Marshal, to present Firefighter Chris Mauney and citizen Dioniso Badillo the life saving award and proclamations for their outstanding performance, heroic actions and life-saving care rendered on June 7, 2021. A citizen was critically injured in an automobile accident and due to the quick life-saving actions of Firefighter Mauney and Mr. Badillo, the citizen is alive and recovering. Commissioners each gave congratulations to Firefighter Mauney and Mr. Badillo for their intrepid actions.
CITIZEN RECOGNITION

Robert Williams, 814 E. Stagecoach Trl, Lawndale – spoke about his disproval of Cleveland County’s COVID-19 overflow seating that has been implemented during Commissioner’s meetings.

CONSENT AGENDA

APPROVAL OF MINUTES

The Clerk to the Board included the Minutes from the June 1, 2021 regular meeting, in board members packets.

ACTION: Commissioner Gordon made a motion, seconded by Commissioner Hardin, and passed unanimously by the Board to, approve the minutes as written.

TAX COLLECTOR’S MONTHLY REPORT

The Tax Collector provided Commissioners with the following detailed written report regarding taxes collected during June 2021.
TAX ABATEMENTS AND SUPPLEMENTS

The Tax Assessor provided Commissioners with a detailed written report regarding tax abatements and supplements during June 2021. The monthly grand total of tax abatements was listed as ($728.87) and monthly grand total for tax supplements was listed as $20,710.76.

HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #001)

ACTION: Commissioner Gordon made a motion, seconded by Commissioner Hardin, 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>012.530.4.991.00</td>
<td></td>
<td>Health Administration/Fund Balance Appropriated</td>
<td>$2,500.00</td>
<td></td>
</tr>
<tr>
<td>012.530.5.790.00</td>
<td></td>
<td>Health Administration/Donations-Contributions</td>
<td>$2,500.00</td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Revisions: Budget allocation for $2,500 in funds stipend in FY 21 from High Point University for pharmacy students that completed a four-week rotation in the pharmacy department. Those funds are being requested to be budgeted in the Health Administration Department to be used towards express script provider fees to give the Pharmacy Department capability to bill insurance to assist with cost of Tier 3 – 5 prescriptions. (Diabetic/weight management). Funds will also be used for other pharmacy needs.

HEALTH DEPARTMENT: BUDGET AMENDMENT (BNA #002)

ACTION: Commissioner Gordon made a motion, seconded by Commissioner Hardin, 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>012.538.4.991.00</td>
<td>Maternal Health/Fund Balance Appropriated</td>
<td>$35,849.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>012.538.5.310.00</td>
<td>Maternal Health/Travel Training</td>
<td>$35,849.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation of Revisions: Budget allocation for $35,849 in grant monies received from Alliance for Health in Cleveland County. These funds were restricted Maternal and Child Health Planning grant held by the Alliance for Health that were used for training purposes. The Health Department received those funds in FY 21 and now needs to be budgeted in the current fiscal year budget for Maternal Health.

**PLANNING DEPARTMENT: SET PUBLIC HEARING FOR TUESDAY, SEPTEMBER 7, 2021 FOR CASE 21-07; REQUEST TO REZONE PARCEL 14500 FROM GENERAL BUSINESS (GB) TO RESTRICTED RESIDENTIAL (RR)**

Parcel 14500 is a 0.43-acre tract located at 1113 Stony Point Road. Tim Fleming has requested to rezone this parcel from General Business (GB) to Restricted Residential (RR). Surrounding zoning is mostly Restricted Residential (RR), with a General Business (GB) node at the intersection of Stony Point Road and New Camp Creek Church Road. Surrounding uses are mostly single-family dwellings, some commercial uses at the intersection. The Land Use Plan calls this area Future Residential so this rezoning would be conformed to the Land Use Plan.

**ACTION:** Commissioner Gordon made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, to approve scheduling the public hearing as requested.

**COMMISSIONERS: ANIMAL SERVICES ADVISORY BOARD**

While reviewing Cleveland County’s Citizen Advisory Boards and Committees, a clerical error was found in the December 2020 appointments to the Animal Services Advisory Board. Appointments for the Licensed Veterinarian and Law Enforcement Officer should have been for three years instead of one.

**ACTION:** Commissioner Gordon made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, to authorize the Clerk to amend the December 15, 2020 Minutes with the corrected board term dates.

**COMMISSIONERS: CITIZEN ADVISORY BOARDS**

Edits for other Citizen Advisory Boards include removing Seat 10 from the Shooting Range Advisory Board and a Commissioner Appointee seat from the Juvenile Crime Prevention Council. These vacancies will be replaced at a later date.

**ACTION:** Commissioner Gordon made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, to authorize the Clerk to edit the seating for the Shooting Range Advisory Board and the Juvenile Crime Prevention Council.

**PUBLIC HEARINGS**

**PROJECT LASER**

Chairman Bridges recognized Kristin Reese, Cleveland County Economic Development Partnership Director (CCEDP), to present the incentive agreement for Project Laser. Cleveland County owns parcel 64588 located at 620 Plato Lee Road in Shelby. The property is 19.407 acres and has been now developed through a partnership with the City of Shelby and Cleveland County for the purpose of economic development pursuant to North
Carolina General Statute 158-7.1. Per this general statute, local governments may acquire and develop real property for the purpose of economic development and offer economic development incentive payments to companies to increase the tax base and for job creation. Local governments are required to approve the sale of economically developed real estate pursuant to general statute 158-7.1. The Cleveland County Board of Commissioners has adopted the Cleveland County Industrial Incentive Grant Program to induce existing industry to expand in the county through payment of a stipulated grant amount from the County’s General Fund.

Parcel 64588 was originally purchased by the County as part of a 47-acre tract of land for the purpose of economic development. To pursue development of the property, the entirety of the 47-acres was sold in one tract to the City of Shelby in 2019. The city deeded 19.407 acres back to the county in 2020 in order to accomplish economic development. A Memorandum of Understanding contract between the county and city resulted in the construction of the jointly owned Shell Building #3 for commercial or industrial use. The property has been actively marketed for economic development, and Project Laser has agreed to buy the property for fair market value in the sum of $6,975,000, which is roughly 8% over costs. Net proceeds are to be divided between the County and the City, if approved by Commissioners.

The company plans to upfit the building to their specifications and commence its new manufacturing operations. The company has locations across the United States and believe that the expansion into Cleveland County will give them more accessibility to customers on the east coast and support their future growth plans. The company anticipates their total direct new investment over five years will be approximately $20,950,000 and during that time they plan to create 130 new jobs with an average annual wage of $47,392 per year which exceeds the existing county average wage. The term for the County incentive grant is for three-years and will be based on the cumulative new capital investment the company will be making over three years, which is $20,200,000 and 100 new jobs with $47,923 average annual wage. Grant payments will be calculated based on 20% of the company’s net new investment and multiplied by the County’s 0.005475% tax rate.

- Year 1: $12,500,000 new capital investment and 22 new jobs
- Year 2: $7,200,000 new capital investment and 35 new jobs
- Year 3: $500,000 new capital investment and 43 new jobs

The new capital investment that Project Laser will be making in Cleveland County will generate new tax revenue and have an overall positive impact on the local tax base. The Bureau of Economic Analysis (BEA) annual input-output tables have calculated that for every $1.00 that manufacturers like Project Laser spend in a
community, an additional $1.48 in other local services and production will be generated as a result. Because manufacturing has so many substantial links with so many other sectors throughout the economy, its output stimulates more economic activity across society than any other sector. The following information and PowerPoint were presented to Commissioners. Steffes, LLC (Project Laser) was officially announced today by North Carolina Governor Roy Cooper.

Chairman Bridges opened the Public Hearing at 6:26 pm for anyone wanting to speak for or against Project Laser. (Legal Notice was published in the Shelby Star on Monday, July 5, 2021 and Monday, July 12, 2021).

**Dr. Jason Hurst, 715 Cedar Hill Drive, Shelby** – is the President of Cleveland Community College and the Chair of the CCEDP Executive Committee. He spoke in favor of the incentive grants for Steffes, LLC citing the numerous benefits and diversity that will come to the county and residents with the economic development growth.

Hearing no further comments, Chairman Bridges closed the Public Hearing at 6:30pm.
Chairman Bridges opened the floor to the Board for questions and discussion. Commissioner Hutchins attended the announcement of Steffes, LLC and commented on the family-oriented leadership and atmosphere of the company. Chairman Bridges was also in attendance of the announcement and echoed Commissioner Hutchins positive comments regarding the company and impacts on the county.

**ACTION:** Commissioner Hutchins made the motion, seconded by Commissioner Gordon, and unanimously adopted by the Board, to approve the sale of Shell Building #3 to Steffes, LLC and the Economic Development Incentive Agreement for Project Laser.

**Resolution passed:**

1. The Commissioners are satisfied that the sale price represents the fair market value of the property, subject to the terms and conditions associated with Parcel 4606B, the improved Tract B Property of Plato Lee Road Shell Building #3, and excluding Tract A, is $6,975,000.

2. The proposed contract to sell to STEFFES, LLC is ratified and adopted, and staff is directed to proceed with the sale of the property.

3. The Chairman of the Cleveland County Board of Commissioners is authorized to execute necessary documents to convey to STEFFES, LLC the real property commonly known as Plato Lee Road Shell Building #3 and more particularly described as a 15,407 square foot tract of Plato Lee Road Shell Building #3 identified on the plat as Tract B and map Parcel Number 046B.

4. As consideration for the conveyance of the property, STEFFES, LLC has agreed to equip and manufacturing facility Shell Building #3 at a cost of at least $20,000,000 over the next three years.

5. The conveyance of the property to STEFFES, LLC will stimulate the local economy, promote business, and result in the creation of a substantial number of jobs in Cleveland County that are above the median average hourly wage in the county. The probable average annual wage at the facility to be created by STEFFES, LLC is $47,952 which is above the current median hourly wage in the county. This determination of the probable average annual wage at the facility is based upon materials provided to the County by STEFFES, LLC.

6. The County Incentive Grant to STEFFES, LLC as set forth in the proposed Incentive Agreement is approved with grant payments to be calculated based on 30% of STEFFES, LLC’s net new investment and multiplied by the County’s 0.00575% tax rate over the source of three years as incentive for economic development.

WHEREAS, in order to accomplish economic development, the City of Shelby resolved to deed property back to Cleveland County from the City of Shelby following approval by City of Shelby Resolution 6-2020 dated February 17, 2020; and

WHEREAS, Cleveland County, through its Board of Commissioners on March 17, 2020, following a Public Hearing (held via Zoom on March 4, 2020) unanimously approved to accept the property as part of economic development under NC GS 158-7.1(d) (Resolution 05-2020); and

WHEREAS, in March 2020 the entire 47 acre tract identified as Parcel 0457 was subdivided by the City of Shelby into three parcels and recorded with the Register of Deeds, resulting in this present Property, consisting of 19,407 square feet being identified as Tract B, subsequently and currently identified by Mapping as Parcel Number 6458B; and

WHEREAS, as the result of an MOU between Cleveland County and the City of Shelby to enter into a joint undertaking for economic development to construct and develop a Shell Building #3 on the Property (aka Tract B and consisting of 19,407 square feet, during the sharing of responsibilities, and

WHEREAS, on March 20, 2020, the City of Shelby Bound the Property to Cleveland County Tract B known as Parcel Number 6458B, as authorized by the steps identified herein; and

WHEREAS, on March 17, 2020 the County through its Board of Commissioners following a public hearing, duly noticed on March 4, 2020, approved the financing of the economic development of the Property to further the economic development pursuant to NC GS 158-7.1 for the building of an industrial or commercial building usefully referred to as Shell Building #3, to join ownership interests with the City of Shelby; and

WHEREAS, the City of Shelby as property manager has now completed the final phases of development of Shell Building #3 and the Property is ready for use for the intended purpose of economic development; and

WHEREAS, the estimated costs expended in this economic development project total $6,314,000; and

WHEREAS, the Property (Tract B) was approved in May 2021 and the Commissioners are satisfied that the fair market value of the Property is $6,975,000; and

WHEREAS, the County, through its staff and the Cleveland County Economic Development Partnership, has actively marketed the Property and Shell Building #3 as a job ready site and which is a modern 100,000 square foot facility for the sum of $6,975,000 which represents a figure roughly 8% over cost; and

WHEREAS, Cleveland County and a potential buyer “STEFFES, LLC” have engaged in private negotiations for the conveyance of Tract B of the Plato Lee Road Property, to the end that STEFFES, LLC desires to occupy the facility on the tract, and have reached tentative agreement on the terms for conveyance; and

WHEREAS, STEFFES, LLC proposes to buy the Property for $6,975,000 which represents fair market value and the Commissioners are satisfied that the proposed purchase price represents fair market value, and pursuant to NC GS 158-7.1; and

Adopted this 3rd day of August, 2021.

Douglas Bridges, Chairman
Cleveland County Board of Commissioners

*7. The Chair of the Board of Commissioners is directed to sign the Incentive Agreement, and staff is directed to carry out the terms contained therein.
8. A copy of the contract and the incentive agreement will be available at the Cleveland County Economic Development Partnership Office upon consummation of the purchase of the Property.*
I. Grant Criteria. Grantee shall comply with the following conditions in order to qualify for initial and continuing grant payments pursuant to this Agreement. These conditions shall be further elaborated as the "Grant Criteria."  

a. Grantee shall begin its investment in the project within twelve (12) months of the execution of this Agreement.  

b. Once the Grantee has met the net new capital investment requirement in the County for Year One as set forth below in subsection (b)(6), with regard to depreciated equipment, then all of such capital investment is taxable ("Investment Commitment"), and has created the Year One "Investment Commitment" with the required number of new, permanent, full-time jobs in the County with an approximate average annual wage of $47,023 ("Jobs") as set forth below in subsection (1)(b), then the Grantee may commence the Grant Term as described in Section 3(b), thereafter the Grantee shall meet the subsequent Year Two and Year Three Investment and Jobs Commitments and maintain such Investment and Jobs Commitments as set forth below for the remaining duration of the Grant Term (hereinafter defined in Section 3).  

The required new Investment and Jobs Commitments for Years One, Two and Three (the "Grant Years") are as follows:  

i. Year One: Investment Commitment of at least twelve million five hundred thousand dollars ($12,500,000) Jobs Commitment of approximately twenty two (22) Jobs; and thereafter  

ii. Year Two: an additional Investment Commitment of seven million two hundred five thousand dollars ($7,005,000) and an additional Jobs Commitment of thirty five (35) Jobs for a cumulative jobs total of fifty seven (57) Jobs; and  

iii. Year Three: further additional Investment Commitment of five hundred thousand dollars ($500,000) with an additional Jobs Commitment of forty three (43) Jobs for a cumulative total of one hundred (100) Jobs;  

c. Grantee shall operate the Project in compliance with all laws, rules, regulations, ordinances, and orders of all governmental bodies, agencies, authorities, and courts with applicable jurisdiction over the Project.  

d. The County shall not be responsible for any aspect of the design or construction of the Project.  

e. Grantee shall be current in the payment of all ad valorem taxes and fees imposed on Grantee by the County and by any municipality in the County with applicable jurisdiction over Grantee.  

f. Grantee shall, as of January 1 of each year during the Grant Term, submit to the County Tax Assessor a timely listing of its buildings, machinery, equipment, and all personal property associated with the Project. Grantee shall provide additional information as needed to enable the County to identify incentivized versus non-incentivized investment.  

b. The Grantee agrees that failure to maintain the Investment Commitment shall entitle the County to cease any future incentive payments to the Grantee, and the failure to meet Year Two or Year Three Cumulative Jobs Commitment shall entitle the County to make reductions in incentive payments paid to the Grantee in the amount of Five Hundred Dollars ($500.00) per new, permanent, full-time position less than the Year Two or Year Three cumulative positions described above. For the purposes of this Agreement, Grantee will have "approximately" met and maintained a commitment if they reach and maintain at least ninety percent (99%) of that commitment.  

2. Certification of Grant Criteria by Grantee.  

a. In each year of the Grant Term, Grantee shall request payment of an Incentive Grant (hereinafter defined) from the County (the "Payment Request"). In connection with such Payment Request, Grantee shall deliver to the County’s Finance Director a performance letter certifying that, in the prior year, the Grantee:  

i. Satisfied all the Grant Criteria;  

ii. Agreed to the Assessed Value (hereinafter defined) of the Project as determined by the County Tax Assessor (subject to the County’s standard tax appeals process); and  

iii. Paid all applicable local taxes on the Assessed Value of the Project (cumulatively the "Performance Certification").  

Such Payment Requests shall be made to:  

Lucas Jackson, Cleveland County Finance Director, or his successor  

Cleveland County Administration Building  
311 E. Marion Street  
Shelby, NC 28150  
And may be sent via email with confirmed address and receipt to:  

Lucas.jackson@clevelandcounty.gov (or successor’s email)  

b. The County Tax Assessor shall determine, as of January 1 for each year of this Agreement, the following effective data from the current year’s Statement of Assessed Values for the County of CLEVELAND, NORTH CAROLINA, a political subdivision of the State of North Carolina (the “County”) and STEFFLES, LLC. (the "Grantee") the location for the creation of the new jobs and investment in is Cleveland County, North Carolina, and is heretofore referred to as the "Project."  

WITNESS  

WHEREAS, the Local Development Act of 1925, as amended (Article I, Chapter 158 of the North Carolina General Statutes) grants the County the authority to make appropriations for the purposes of aiding and encouraging the location or expansion of certain business enterprises in the County or for other purposes which the County’s governing body finds in its discretion will increase the population, taxable property base, and business prospects of the County; and  

WHEREAS, the Cleveland County Board of Commissioners (the “Board”) seeks to induce existing industries to expand in the County and to target new industries to locate in the County, through the provision of various incentives including the payment of a stipulated grant amount from the County’s General Fund, as determined in accordance with applicable law; and  

WHEREAS, it has been determined by the Board, following a duly noticed public hearing on August 3, 2021, that Grantee meets the criteria for an incentive grant due to Grantee’s intention to create over the next three (3) years at least one hundred (100) new, permanent, full-time jobs with an anticipated annual average wage of $47,923, and Grantee’s intention to make a new investment over the next three (3) years of at least twenty million two hundred thousand dollars ($20,200,000) comprised of real property, personal property, and other assets of the business, which the Board hereby determines will increase the population, taxable property base, and business prospects for the County; and that certain incentives for the Project ("Incentives") will encourage the Grantee to locate its operations in the County, and that it is in the public interest to provide economic development incentives as authorized by N.C.G.S. § 135-7.1; and  

WHEREAS, Grantee acknowledges that the Incentives provided pursuant to this Agreement have served as inducement for Grantee to make the above-described investment in the County, and the County acknowledges that the investment to be made by Grantee is good and valuable consideration as described in N.C.G.S. § 135-7.2.  

NOW THEREFORE, for good and valuable consideration as hereinafter cited and the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do each covenent and agree with the other as follows:  

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b. Calculation of Grant Amount. Upon the County’s approval of Grantee’s Performance Certification, the County Tax Assessor, as of January 1 of the Grant Year, shall assess a value of all property at the Project. The Grant will be calculated based on twenty percent (20%) of the Net New Investment at the Project ("Net New Investment"), which is defined as additional tax base beyond what existed prior to the Grant Term, measured as of January 1 of each year of the Grant Term. The Parties acknowledge that the county-owned property was not generating any taxable income prior to the Grantor’s investment, and that prior to Grantor’s purchase, the County had no tax investment in the County, and it is the specific intent of the parties that the purchase price of the property may be considered as part of the capital for Year One Investment Commitment. For each year of the Grantor’s Net New Investment, as calculated by the Tax Assessor, shall be multiplied by the County tax rate then in effect (which, as of the date of this Agreement, the County acknowledges is equal to $0.00/05/475), but which as of January 1, 2022 shall be $0.00/05/475) which amount shall then be multiplied by twenty (20%), and the resulting figure shall be the amount of the Incentive Grant payment to Grantor for that fiscal year. It is the express intent of the parties that no grant funds shall be paid by the County pursuant to this Agreement until Grantor has first paid all applicable taxes due to the County in any given Grant Year.

c. Grantor Compliance. Incentive Grant payments shall continue throughout the Grant Term only so long as Grantor continues to satisfy the Grant Criteria and submits a payment request and Certification to the County Finance Director no later than June 30th of each year during the Grant Term. In addition, all real property taxes are paid. Failure to submit a Payment Request and Performance Certification by December 1 of the year following the year in which Grantor’s ad valorem property taxes are paid shall result in forfeiture of the Incentive Grant payment for the applicable year. Only one Incentive Grant will be paid to Grantor per fiscal year for the Project. The County’s fiscal year runs from July 1 through June 30. Grantor agrees to cooperate with the County by providing such information and such access to Grantor’s records as may be necessary to verify and substantiate initial and ongoing compliance with the Grant Criteria.

4. Tax Payments. If Grantor at any time during the Grant Term fails to pay all applicable property taxes on the fair market value of the property when due, then the County may terminate this Agreement and have no further obligation to Grantor for the payment of any grant award or the provision of any other incentive. Notwithstanding the foregoing, the County shall have the right to terminate this Agreement due to Grantor defaulting with the applicable taxes as under Article 19 Chapter 105 of the North Carolina General Statutes. Prior to termination based on Grantor’s failure to pay applicable taxes when due, the County shall provide ninety (90) days written notice stating that taxes are delinquent. If the taxes have not been paid within ninety (90) days of Grantor’s receipt of this written notice, then the County may terminate this Agreement.

10. Defaults. It shall be an Event of Default, after which the County shall no longer be bound by this Agreement, if any one or more of the following events shall occur for any reason whatsoever (and regardless of whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree, order of any court or any order, rule, or regulation of any administrative or governmental body):

a. If Grantor, except in the event of force majeure, shall fail to observe and perform any of the provisions of this Agreement, and such failure shall continue for a period of thirty (30) or more days after the giving by the County of written notice of such failure to Grantor; or
b. If any material representation, warranty, or other statement of fact contained in this Agreement is incorrect or untrue; or if any material portion of this Agreement, or report, or statement furnished by Grantor to the County in connection with the transaction described in this Agreement shall be false or misleading in any material respect when given; or
c. If Grantor shall be unable to pay its debts generally as they become due; files a petition to take advantage of any insolvency statute; makes an assignment for the benefit of creditors; commences a proceeding for the appointment of a receiver, trustee, liquidator, or conservator of itself or of the whole or any substantial part of its property; files a petition or answer seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state; or
d. If a court of competent jurisdiction shall enter an order, judgment, or decree appointing a custodian, receiver, trustee, liquidator, or conservator of Grantor or of the whole or any substantial part of its properties, or approves a plan filed against Grantor seeking reorganization or arrangement or similar relief under the federal bankruptcy laws or any other applicable law or statute; or if, under the provisions of any other law for the relief or aid of debtors; a court of competent jurisdiction shall assume custody or control of Grantor or of the whole or any substantial part of its properties.

11. Statutory Authority for Incentive Grant. Both Grantor and the County acknowledge that any and all monies appropriated and expended by the County for economic development incentives as provided in this Agreement are for a bona fide public purpose and are expended in good faith and in compliance with N.C.G.S. §158-71. The County represents and warrants to Grantor that the County has made all findings and determinations required by law and has taken all action necessary to authorize the approval of the incentive described herein and the execution, delivery, and performance of this Agreement, and that this Agreement is a valid, legal, and binding obligation of the County, executed against it in accordance with its terms. In the event a court of competent jurisdiction, after final appeal, rules in a lawsuit to which either Grantor or the County is a party that the monies expended by the County pursuant to this Agreement were not offered and accepted in good faith and pursuant to and in compliance with N.C.G.S. § 158-71 and, further, that such monies must be repaid, Grantor will make such repayment. If any incentives provided hereunder, including the Incentive Grants or any portion thereof, are deemed by a court of competent jurisdiction to be ulterior motives or not authorized by the laws or Constitution of the State of North Carolina, then the County will use reasonable efforts to provide to Grantor equivalent incentives as allowed by law. Further, if any elected officials of the County are found by a court of competent jurisdiction, after final appeal, to be personally liable for any of the monies so expended, and such liability is not covered by the County’s public officials’ liability insurance, then Grantor will indemnify such elected officials personally to the extent of the monies expended by the County pursuant to this Agreement, but exclusive of court costs and attorney’s fees. The County agrees to maintain public official liability coverage comparable with that maintained by other similarly situated counties in North Carolina. In the event one or more laws are brought against the County or any elected official charged with the legality of the Agreement, then (a) the County shall exercise its best efforts to defend against any and all such lawsuits, including appealing any adverse judgment to the appropriate court, and (b) the County will promptly notify Grantor in writing and allow Grantor to participate in the defense of any challenges, at Grantor’s expense and with counsel of Grantor’s choosing.

[SIGNATURE PAGE TO FOLLOW]
Chairman Bridges called Planning Director Chris Martin to the podium to present Case 21-12: Request to rezone property at 610 East Double Shoals Road from Rural Agriculture (RA) to Manufactured Home Parks (RM). There is a difference between the two zoning districts. Rural Agriculture (RA) zoning allows for Residential (R) and Rural Commercial (RC). Manufactured Home Parks (RM) zoning only allows for Residential (R) and Manufactured Home Parks (RM). The key difference between the two zoning areas is lot size. Rural Agriculture (RA) requires a three-acre minimum lot size while Manufactured Home Parks (RM) requires a one-acre minimum lot size.

Parcel 35848 is a 10.94-acre tract located at 610 East Double Shoals Road in Lawndale. The owner, Harold Wright, has requested to rezone this parcel from Rural Agriculture (RA) to Manufactured Home Park (RM). The surrounding zoning is Rural Agriculture (RA) on the south side of East Double Shoals Road, and a mix of Manufactured Home Park (RM), Residential (R) and Neighborhood Business (NB) on the north side of East Double Shoals. Fallston Road runs perpendicular to East Double Shoals Road to the East and has the Highway Corridor overlay on top of its existing zoning. The Land Use Plan calls this area Future Residential (FR) and rezoning this property between one residential district to another would be consistent with the current plan. The Planning Board voted unanimously to recommend approving the rezoning request from Rural Agriculture to Manufactured Home Park. The board felt that the proposal is consistent with the Land Use Plan’s designation of Future Residential.
Chairman Bridges opened the Public Hearing at 6:39 pm for anyone wanting to speak for or against the request to Parcel 35848 from Rural Agriculture (RA) to Manufactured Home Parks (RM). (Legal Notice was published in the Shelby Star on Friday, July 23, 2021 and Friday, July 30, 2021).

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

**ACTION:** Commissioner Gordon made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, to approve the request to rezone parcel 35848 at 610 East Double Shoals Road from Rural Agriculture (RA) to Manufactured Home Parks (RM) as it is consistent with the Land Use Plan’s designation of Future Residential (FR).
Planning Director Chris Martin remained at the podium to present Case 21-13: Request to rezone property at 3827 Cliffside Road from Residential (R) to General Business-Conditional (GB-C) for automotive sales. Parcel 44797 is a 0.25-acre tract located at 3827 Cliffside Road. The petitioner, Brett Pittman, is requesting to rezone this property from Residential (R) to General Business-Conditional (GB-C) to use an existing structure on the property for automobile sales. Surrounding zoning is Residential (R). The existing structure on the property has been used for automobile repairs previously. The Land Use Plan calls this area Future Residential (FR) but the Land Use Plan, in Strategy I-A3 encourages the reuse of structures and that “redevelopment (and any necessary rezoning) of such properties should not be viewed as contrary to the spirit and intent of the Plan.” The property owner, Billy Marsh, has signed the application giving his approval of the rezoning request. If approved, the petitioner will be able to use the property in a manner consistent with past uses with an already existing building on the property.

The Planning Board voted unanimously to recommend approving the rezoning request from Residential (R) to General Business-Conditional (GB-C). The Board felt the proposal, although inconsistent with the Land Use
Plan, it would enhance the property and would not adversely affect the area because it is reusing an existing building like a prior use.

Chairman Bridges opened the Public Hearing at 6:43 pm for anyone wanting to speak for or against the request to rezone property at 3827 Cliffside Road from Residential (R) to General Business-Conditional (GB-C) for automotive sales. (Legal Notice was published in the Shelby Star on Friday, July 23, 2021 and Friday, July 30, 2021).

Hearing no comments, Chairman Bridges closed the Public Hearing at 6:44pm.

**ACTION:** Commissioner Hardin made the motion, seconded by Commissioner Gordon, and unanimously adopted by the Board, to approve the request to Request to Rezone property at 3827 Cliffside Road from Residential (R) to General Business-Conditional (GB-C) for automotive sales as it would enhance the property and would not adversely affect the area because it is reusing an existing building like a prior use.
Planning Director Chris Martin remained at the podium to present case 21-15; request to amend section 12-134 of the Cleveland County Unified Development Ordinance (UDO). The petitioner, Bill McCarter, is requesting to amend Section 12-134 of the Cleveland County Unified Development Ordinance (UDO) by adding language to
the water supply ordinance that would allow other residential types of development to be capable of asking for the 70% leniency that the county and state codes allow for. A water shed is an area of land where rain and storm water drain into a specific point. Cleveland County has development ordinances to limit the development in the water shed with the goal of providing clean drinking water to Cleveland County citizens.

North Carolina Administrative Code Section 15A gives rules to local governments concerning development density in watershed overlays. Section 12-134(d)(2) of the Cleveland County UDO states that development outside of single-family dwellings must not exceed 12% built upon area. The administrator is authorized to approve nonresidential commercial projects up to 70% built upon, not to exceed 10% of the total water supply overlay, excluding the critical area. Built upon percentages are determined by taking the total square footage of the development and dividing it by the total square footage of the parcel.

The request is to add other residential uses to the 70% allowance so that multifamily developments, such as apartments and townhouses, can take advantage of the 10/70% option. If approved, it would give the administrator the option to approve multifamily development more easily within the watershed overlay. The Planning Board voted unanimously to recommend approving the proposed text amendment to Section 12-134(d)(2) of the county’s UDO. The Board felt the proposal would enable developers of other residential uses the same allowances as developers of commercial property in the watershed. The following information and PowerPoint were presented to Commissioners.

Text Amendment

- **UDO Section 12-134 (d)(2):** All other residential and nonresidential development shall not exceed twelve (12) percent built-upon area on a project-by-project basis except that up to ten (10) percent, excluding critical area, may be developed for other residential and nonresidential uses up to seventy (70) percent on a project-by-project basis.
Chairman Bridges opened the floor to the Board for questions and discussion. Commissioner Hutchins asked, “If this request is approved and the County moves forward, what steps are in place to prevent damage to a water shed if a 300-acre development is made? How will that be governed?” Mr. Martin replied, “If it is a single-
family dwelling development, it would not be limited by the 12%. The single-family dwelling regulation would be one per acre, that is one way to regulate the development. The project would still have to comply with the other ordinances regarding storm water, run offs, etc. including state and federal regulations regardless of if they are in a water shed or not”

Chairman Bridges opened the Public Hearing at 6:56 pm for anyone wanting to speak for or against Case 21-15; request to amend section 12-134 of the Cleveland County Unified Development Ordinance. (Legal Notice was published in the Shelby Star on Friday, July 23, 2021 and Friday, July 30, 2021).

Bill McCarter, 107 Plantation Court, Shelby – is the petitioner for case 21-15 and spoke in favor the amendment request. Mr. Carter was the Planning Administrator for Cleveland County in the 1990’s when water sheds were adopted into the UDO. He presented Commissioners with copies of a 1996 newsletter for North Carolina Water Supply Watershed Administrators highlighting the state amendments at that time. Mr. McCarter advised the county should have made the proposed watershed amendment during that period.

Spencer Borders, 1101 E. Sanders Road, Shelby – spoke in favor of the amendment request. He explained to Commissioners surrounding peer counties already have this proposed amendment in place, this change would be in the norm as rural counties continue to grow and develop.

Hearing no further comments, Chairman Bridges closed the Public Hearing at 7:04pm.

Chairman Bridges opened the floor to the Board for questions and discussion. Commissioner Gordon thanked the Planning Department and staff for the tremendous amount of work and due diligence they put in, especially for this amendment request.

ACTION: Commissioner Gordon made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, to approve the request to amend section 12-134 of the Cleveland County UDO and add “other residential” to the uses that can request the 70% leniency.
Planning Director Chris Martin remained at the podium to present case 21-16, request to a portion of parcel 24701 located at 1650 North Post Road from General Business (GB) to Residential (R). Parcel 24702 is a nine-acre piece of property located along Dee Brooke Drive off North Post Road in Shelby. The petitioner is also the owner, Oak Mills, Inc is requesting to rezone a nine-acre portion of Parcel 24702 from General Business (GB) to Residential (R). The nine-acre portion is currently vacant while the surrounding uses consist of the Deer Brook neighborhood, Deer Brook golf course and the former Challenger Three’s recreational uses. The surrounding zoning districts are Restricted Residential (RR) and General Business (GB). The current land use plan calls this area Future Commercial. The difference between Residential (R) and Restricted Residential (RR) is manufactured housing and multi-housing allowances. Restricted Residential (RR) only allows single-family residences. Residential (R) zoning is consistent with the area and could potentially be less impactful to the surrounding neighborhood than the current General Business district. A site plan was submitted with the rezoning request and outlines the proposed development of town homes on Deer Brooke Drive.

The Planning Board voted 5-1 to recommend approving the proposed rezoning from General Business (GB) to Residential (R). The Board felt the proposal, although inconsistent with the Land Use Plan’s designation of Future Commercial, was more in harmony with the surrounding residential uses.

Chairman Bridges opened the Public Hearing at 7:10 pm for anyone wanting to speak for or against case 21-16, request to a portion of parcel 24701 located at 1650 North Post Road from General Business (GB) to Residential (R). (Legal Notice was published in the Shelby Star on Friday, July 23, 2021 and Friday, July 30, 2021).

Irene Toohey, 12107 Wood Cliff Court, Charlotte – is the owner of Oak Mills, LLC along with her husband, and spoke in favor of the rezoning request. She shared key points of the proposed rezoning and possible future development plans such as a proposed town home project. Mrs. Toohey stated any plans include what is best for the Deer Brooke neighborhood and surrounding community.

Keith Toohey, 1650 North Post Road, Shelby – is Irene Toohey’s husband and spoke in favor of the rezoning request. He spoke about the different zoning uses on the area and the possible delays a Conditional Use Permit (CUP) would cause. He echoed Mrs. Toohey’s comments about being good neighbors to the Deer Brooke community.

Tony Sams, 114 Eagles Terrace, Shelby – spoke neither for nor against the rezoning request, he voiced his concerns over traffic flow, congestion in a small area, safety, sidewalks, rainwater runoffs, etc. that the new town home development would have in the area. Mr. Sams suggested a mutual agreement be reached between all parties to ensure what is being proposed is what will actually be developed.

Bill McCarter, 107 Plantation Court, Shelby – spoke in favor of the rezoning request. Mr. McCarter spoke
about traffic flows, spot zoning and CUPs in Cleveland County’s Unified Development Ordinance highlighting what is and isn’t allowed in certain zoning districts.

**Spencer Borders, 1101 E. Sanders Road, Shelby** – spoke in favor of the rezoning request citing the importance and benefits of continued growth/development and the high need of housing in Cleveland County.

**Jason Lowery, 1226 New Crest Lane, Shelby** – spoke in favor of the rezoning request. Mr. Lowery is the developer for the proposed town home project. Mr. Lowery has built over 20 homes in the Deer Brook neighborhood and values his relationship with the community. He stated is happy to work together with the citizens of Deer Brook to ensure all parties expectations are met. He echoed Mr. Toohey’s comments regarding the complications and delays a CUP would cause.

**Rita Scism, 137 Deer Brooke Drive, Shelby** - spoke neither for nor against the rezoning request. She inquired about additional screening between the proposed town homes and Deer Brook.

Hearing no further comments, Chairman Bridges closed the Public Hearing at 7:34 pm.

Chairman Bridges opened the floor to the Board for questions and discussion. Commissioner Hutchins asked what zoning restrictions the Commissioners can put in place regarding the rezoning request. Mr. Martin stated, “Essentially, none. The type of request is a general rezoning request, and the petitioner has not provided a formal site plan. A CUP would not apply in this case.” Commissioner Hardin inquired about CUPS. Mr. Martin advised, “The conditional rezoning code for Cleveland County requires the petitioner to provide a formal site plan with their application to Planning staff. The purpose of the plan is to show the proposed project will be compliant with the county’s UDO standards and compatibility. It also shows the Board and the community how a project is going to be developed.” Commissioner Hardin further asked, “If the petitioner changed is application from general rezoning to CUP, would the developer have to come back before the Board every time a change needs to be made?” Mr. Martin replied, “It would depend on the significance of the change.”

Commissioner Hutchins asked if the Board could put a deed restriction on the project; Mr. Martin stated they could not, deed restrictions are done by private developers. Commissioner Hardin inquired if the Board approved the request this evening but add a CUP condition, what the completion time frame be. Mr. Martin replied, “The county would need to need to schedule a public hearing for the September 7, 2021 regular Commissioners meeting. For the developer, it would depend on how quickly their designers/surveyors could modify the site plan.”

Chairman Bridges questioned if the project developer could modify the current presented plan? Mr. Martin detailed to Board members what a new site plan would have to entail to meet a CUP requirement.

Chairman Bridges called Mr. Lowery to the podium to answer Board questions concerning a new cite plan and possible construction delays if a CUP becomes a requirement. Mr. Lowery explained the delays would heavily depend on the site plan’s new requirements. He detailed to Board members full soil testing, utilities, surveying and engineering would initially cost over $20,000 and at least 90 days to complete before a new site plan could be submitted for the rezoning request. He further explained there is a currently a contract in place now for the
development; large delays and postponements could cause the investors to pull out of the project. Commissioner Hardin asked Mr. Lowery if he has meet with any of the homeowners from Deer Brooke. Mr. Lowery replied he had; their team had a town hall meeting with the residents. Commissioner Hutchins commented that he has not heard anyone speak against the rezoning request or the project, citizens are just wanting to ensure if the development project is approved, they will be good neighbors.

**ACTION:** Commissioner Hutchins made the motion, seconded by Commissioner Gordon, and unanimously adopted by the Board, to approve the request to amend section 12-134 of the Cleveland County UDO and add “other residential” to the uses that can request the 70% leniency.

**REGULAR AGENDA**

**SALE OF COUNTY OWNED PROPERTY**

Chairman Bridges called Deputy County Attorney Martha Thompson to the front to present the sale of county owned property. The Board was reminded at their June 1, 2021 regular meeting, they approved for staff to begin the upset bid process for county owned property on parcels 20706, 27395, 27398, 40159 and 26934. Final bids and offers have been received with only one parcel containing a bid in a sum sufficient to satisfy the County’s costs and prior unpaid taxes. The following information and PowerPoint were presented to Board members.

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**Sale of County Owed Properties:**

- **Enola Drive**, Shelby
  - Parcel No.: 40159
  - Acquired by Foreclosure: 2017
  - Tax Value: $3,551.00
  - Would be Tax payment: $79.50
  - Current Offer: $1,650.00
  - Gain / Loss: ($875.00)

- **1113 Withers Street**, Shelby
  - Parcel No.: 20706
  - Acquired by Foreclosure: 2016
  - Tax Value: $1,861.00
  - Would be Tax payment: $120.50
  - Current Offer: $1,700.00
  - Gain / Loss: $1,071.50

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**Enola Drive, Shelby**
- Parcel No.: 40159

**1113 Withers Street, Shelby**
- Parcel No.: 20706

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**330 Gorrell Street, Shelby**
- Parcel No.: 27395
ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Hardin, and unanimously adopted by the Board, to approve the last offer made on parcel 20706 and authorize County staff to prepare a deed to sell that parcel to the offeree, and decline to sell the remaining parcels for the grossly insufficient offers, at this time, and soliciting bids sufficient to cover costs or at least 50% of tax value whichever is greater, through adoption of the attached resolution.

2021 REVALUATION RECAP

Chairman Bridges recognized County Manager Brian Epley to present the 2021 Revaluation Recap. The Board of Equalization and Review has formally adjourned. North Carolina General Statute 105-286 requires all counties conduct a reappraisal of real property at least every eight years. A county must conduct a reappraisal of real property when the county's sales assessment ratio determined under general statute 105-289(h) is less than .85 or greater than 1.15. The vision and economic development demonstrated by this board commissioners along with your fiscal policy surrounding long term sustainability and planning, reengineering, lean operations have put Cleveland County in position to capitalize with revaluation with its citizens. Revaluation has been an almost four-year process. The last revaluation for Cleveland County was in 2016, in which property values cumulatively across the county dip about 3.6%. The county was able to maintain a steady tax rate at that time with a .57 cent tax rate,
that was about $1.6 million revenue, because that point, staff began working on 2017 rebound process that concluded January 1, 2021. The revaluation was completed by county staff which instead of hiring an outside company. This saved the taxpayers of Cleveland County about 1.2 million dollars. After the completion of the 2016 revaluation, the county spent years recovering from the loss in values. Since that time, the county has been able to recover and with the leadership and vision of the County Commissioners, the tax rate has been lowered from .57 cents to .54 cents. The county continues to see steady growth and development from two specific reasons: the success and the business economic development and the commitment to right sizing and lean operations within the organization. The following information and PowerPoint were presented to the Board.
BOARD APPOINTMENTS

CLEVELAND COUNTY ADULT CARE HOME ADVISORY COMMITTEE

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Hutchins, and unanimously adopted by the Board, to re-appoint Jason Eaker, Tina McNeilly, and Janet Torgerson to serve as members of this board, for a period of three-years, scheduled to conclude June 30, 2024.

CLEVELAND COUNTY NURSING HOME ADVISORY COMMITTEE

ACTION: Commissioner Hardin made the motion, seconded by Commissioner Gordon, and unanimously adopted by the Board, to re-appoint Wanda Robinson and Maggie Andre to serve as members of this board for a period of three-years, scheduled to conclude June 30, 2024.

RECESS TO RECONVENE

There being no further business to come before the Board at this time, Commissioner Gordon made a motion, seconded by Commissioner Hutchins and unanimously adopted by the Board, to recess to reconvene. The next meeting of the Commission will be Friday, August 27, 2021 at 10:00am at the Earl Scruggs Center located at 103 S. Lafayette Street, Shelby for a Commissioners Work Session.

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