CLEVELAND COUNTY BOARD OF COMMISSIONERS
WORK SESSION

December 11, 2012

The Cleveland County Board of Commissioners reconvened their regular meeting of December 4, 2012 on this date, at the hour of 4:00 p.m., in the County Commissioners Chamber of the Cleveland County Administrative Offices.

PRESENT: Ronald J. Hawkins, Chairman
Jason Falls, Vice-Chairman
Eddie Holbrook, Commissioner
Jason Falls, Commissioner
Susan Allen, Commissioner
Eddie Bailes, County Manager
Robert Yelton, County Attorney
Kerri Melton, County Clerk

CALL TO ORDER

Chairman Ronnie Hawkins reconvened the meeting of December 4, 2012.

DESTINATION CLEVELAND COUNTY

Destination Cleveland County (DCC) began the Rhythm and Roots campaign in 2008. To date, they have raised $5.87 Million for the Earl Scruggs Center. This year alone, they have raised $940,000. JT Scruggs, Destination Cleveland County Board member explained the purpose for them being there was to, “ask for help to finish the project.” He outlined the remaining costs to complete the Scruggs Center as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total remaining costs to complete</td>
<td>$1,535,386</td>
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<tr>
<td>Plus 1st yr marketing, grand opening and operating</td>
<td>300,000</td>
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<tr>
<td>Total cost</td>
<td>1,865,386</td>
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<tr>
<td>Total cash on hand</td>
<td>476,313</td>
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<tr>
<td>Total pledges still to come in</td>
<td>755,400</td>
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<tr>
<td>Shortfall</td>
<td>633,673</td>
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In April 2011, Cleveland County and Destination Cleveland County received a $1.5 Million Economic Development Assistance Grant toward construction of the Earl Scruggs Center. In the grant, the Center was expected to open by April, 2013. Destination Cleveland County has asked for an extension. This extension will not be extended without an opening date. Remaining funds need to be raised before the Center can open.

JT presented a request from Destination Cleveland County. He described the request as two-fold: DCC requested to borrow $1,389,073 from the County. DCC currently has $755,400 committed in pledges. The pledges will be used toward repayment of the loan to the county. Through pledges, $447,100 of the loan would be repaid in 2012 and 2013. The rest of the loan would be repaid by 2020. The numbers, however, still reflect a shortfall of $633,673.
The second request is for Cleveland County to extend their annual pledge of $250,000 by two years. This would leave a shortfall of only $133,673 which would be raised by Destination Cleveland County.

Mr. Scruggs thanked Commissioners for their support throughout this project.

Commissioner Hutchins asked if the pledges would be used for operating the Scruggs Center. Mr. Scruggs explained that the pledges would be designated to paying back the loan to the county.

Brownie Plaster spoke about the status of the project explaining that the renovations have been completed and the DCC office has moved to the third floor of the building. All design work has been completed and the Center can be open within six months of financial commitments being secured. DCC is continuing to lead and raise money for the Center.

Ms. Plaster described the economic impact of the Scruggs Center as $12 Million a year for ten years. The Center is already receiving statewide, national and international recognition.

She stated that over $5.8 Million has been raised for this project with only 10% remaining to complete it. Since the county owns the building, it would be difficult for Destination Cleveland County to borrow the money.

Commissioners asked what is lacking in order for the Center to be opened. JT Scruggs responded there is a little over $1 Million in fabrication that needs to be completed. They are still working on obtaining rights to several pieces of music. Getting the rights to a 30 second piece of music can cost between $3K and $10K dollars. There has been no cost to use any of Earl Scruggs music or name.

DCC looked at “just getting something in there.” “We could open but it would be significantly substandard. All of the advisors and consultants advised us not to do that”, explained Ms. Plaster.

Chairman Hawkins advised Destination Cleveland County that Commissioners would place this as an agenda item on their December 18, 2012 regular meeting for a vote.

**PINNACLE CLASSICAL ACADEMY**

Senator Wes Westmoreland began by introducing several people who were in attendance in support of Pinnacle Classical Academy. He thanked Commissioners for recognizing the need for a college preparatory school in Cleveland County.

Senator Westmoreland explained the purpose of coming before the Commissioners is to make a formal request for help in acquiring property for this project.

The property mentioned is 56.3 acres along Joes Lake Road currently owned by Hallelujah Acres. This parcel is slightly smaller than the land where the new Shelby Middle School was constructed. He described their request as follows:
1. A one-time payment of $125,000 to acquire the property currently owned by Hallelujah Acres.
2. $67,000 a year for three years to satisfy a federal grant.
3. Allow the transfer of the current Rural Center Grant ($150,000) to Pinnacle Classical Academy.

Pinnacle Classical Academy will create 60 full-time and 50 part-time positions with an average salary of $38,000 per year plus benefits.

Senator Westmoreland made note of the benefits this project would provide including:
1. School choice is important for industry recruitment and retention.
2. Pinnacle Classical Academy will invest $10 Million in construction of the school.
3. This will solve the grant problems that the county is currently facing.
4. This will satisfy the demand of parents looking for a college preparatory school.

Wes Westmoreland introduced architect Mark Patterson who made a presentation showing the design of the building and reasons why deeding the entire acreage to Pinnacle will save money in the long run.

Mike Philbeck, former Mayor of the City of Shelby and local real estate agent, spoke next. “I cannot tell you how many times I have people ask about options other than public schools.” He described this 56.3 acre tract as well located with gentle topography. All infrastructure is in place which makes the project more viable. “A K-12 Charter school is an asset that will add millions in tax base to Cleveland County. The one-time cost for these jobs and the development it will create is minimal compared to recruiting an industry.”

There are currently six hundred students attending schools out of the county while there are another two hundred on waiting lists. In closing, Mr. Philbeck said, “Your support will allow us to make this a reality.”

Pinnacle Classical Academy plans to use a loan through the USDA to pay for construction of the facility.

Commissioner Hutchins recommended a clawback be included and asked if Pinnacle would consider receipt of just enough land to construct the first phase.

Marvin Hutchinson, USDA representative, explained that the entire tract of land will be used for the 10% equity required for the loan. Former Senator Debbie Clary also explained that there are several environmental things that would have to be built twice should Pinnacle only acquire half of the tract.

The Villages at Hallelujah Acres subdivision is adjacent to this property. There are seventy lots in the subdivision. Approximately seven lots have been sold. All infrastructure is in place. Chairman
Hawkins, through his experience in real estate, believes construction of Pinnacle will spur development in the subdivision.

Chairman Hawkins advised representatives of Pinnacle Classical Academy that Commissioners would place this as an agenda item on their December 18, 2012 regular meeting for a vote.

**Patrick Senior Center**

Carl Elliott, representative for the Patrick Center, introduced several staff members in attendance. Mr. Elliott was hired by the City of Kings Mountain to complete a Feasibility Assessment for an expansion at the Kings Mountain Senior Center. Mr. Elliott spoke with approximately eighty potential contributors regarding this expansion.

He made note of three positive points that he heard from potential contributors:

- There is a strong public/private partnership.
- The needs of the Senior community are growing dramatically and they will continue over the next 20 years.
- The Senior Center has done a job over and above expectations including being accredited three times.

Mr. Elliott shared a PowerPoint presentation describing the growing senior population, the results of the feasibility analysis, the proposed expansion design and the budget funding request including a $300,000 request from the county which would match the commitment of $300,000 from the City of Kings Mountain. The funding could be spread out over three to four years. The total expansion would cost $1.2 Million.

“All I am asking you to do is recognize this as a worthwhile project and be able to place an incremental amount in the budget for the Senior Center to begin fundraising”, said Mr. Elliott. He closed by reading a letter from one of the Seniors who attends the Patrick Center.

Monty Thornburg, Executive Director, spoke in support of the project. “I appreciate anything you can do. I have been at the Senior Center thirty years and I am now serving the second generation of seniors.” The Patrick Center is a department of the City of Kings Mountain. This arrangement is the only one like it in the state.

Mr. Elliott would like to begin campaigning in the middle of January. He felt that 50% raised by private fundraising would be doable.

**2012/2013 Budget Presentation**

County Manager Eddie Bailes took a moment to make the Commissioners aware of several significant projects that will need to think about.
By January 1, 2015, the Cleveland County Health Department will need to follow the new Healthcare Reform guidelines regarding electronic medical records.

The 800 mhz system went online in June 2008, the county has saved significant amounts of money by training staff to maintain the system. The system has not been upgraded in four years. County Electronic Maintenance staff has been preparing for a needed upgrade.

Chairman Hawkins asked Commissioners to convey to the Clerk, any items they would like included on the work session tentatively scheduled for January 22, 2013.

Commissioners voiced concern over the possibility of Cleveland County being moved from a Tier 1 to a Tier 2 county and wanted to look at the impact that it would have on the county.

**ADJOURN**

There being no further business to come before the Board at this time, Johnny Hutchins made the motion, seconded by Susan Allen, and unanimously adopted by the Board, to adjourn. The next regular scheduled meeting will be held **Tuesday, December 18, 2012 at 6 p.m. in the Commissioners Chamber.**

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Ronald J. Hawkins, Chairman
Cleveland County Board of Commissioners

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Kerri Melton, County Clerk
Cleveland County Board of Commissioners