The Cleveland County Board of Commissioners and the City of Shelby Council met in a special called session on this date, at the hour of 4:30 p.m. at the LeGrand Center located at 1800 E. Marion Street in Shelby.

**PRESENT:**
- Eddie Holbrook, Chairman
- Susan Allen, Vice-Chair
- Johnny Hutchins, Commissioner
- Ronnie Whetstine, Commissioner
- Doug Bridges, Commissioner
- Brian Epley, County Manager
- Chuck Wilson, County DSS Staff Attorney
- Phyllis Nowlen, Clerk to the Board
- Kerri Melton, Assistant County Manager
- Shane Fox, CFO
- Chris Green, Tax Administrator

**CITY OF SHELBY PRESENT:**
- Stan Anthony, Mayor
- David White, Ward 2 Councilman
- David Causby, Ward 3 Councilman
- Violet Dukes, Ward 4 Councilman
- Dicky Amaya, Ward 6 Councilman
- Rick Howell, City Manager
- Robert Yelton, City Attorney
- Bernadette Parduski, City Clerk

**CALL TO ORDER**
Chairman Eddie Holbrook called the meeting to order and led the audience in the Pledge of Allegiance. The City of Shelby Mayor, Stan Anthony, provided the invocation for the meeting.

**Agenda**

In compliance with North Carolina General Statutes 153A-40 and 143-318.12, NOTICE IS HEREBY GIVEN that a Special Meeting of the Cleveland County Board of Commissioners will be held on Tuesday, May 29, 2018 at 4:00 PM at the LeGrand Center, 1800 E. Marion Street, Shelby, NC 28150.

The general purpose of this meeting is to hold a joint meeting between the Board of County Commissioners and the Shelby City Council pursuant to North Carolina General Statutes 153A-355 and 160A-300(g).

1. Presentation by ALTA Design on the Rail Trail Master Plan
2. Shelby Cleveland County Regional Airport – Project Update
3. Dennis Hill Abatement and Demolition Project and Higher and Best Use Study
4. Resolution authorizing an agreement between the City of Shelby and Cleveland County for the funding, design and construction of the Moshy Shell Building No. 3 at the Foodville Commerce Center
5. Cleveland County Commissioners Only – AEC Lease Discussion

(Notice was posted on the Commissioner Chamber doors, the County Administration Building entrance doors, the Cleveland County webpage and e-mailed to the Sunshine List on Friday, May 25, 2018).

**REGULAR AGENDA**

**PRESENTATION BY ALTA DESIGN – RAIL TRAIL MASTER PLAN**
Shelby Mayor Anthony called John Cox with ALTA Design to the podium to present the Rail Trail Master Plan. Mr. Cox stated the purpose of his presentation is to present to the City Council and Board of County
Commissioners, the Rail Trail’s big picture plan and its potential effects on the community such as travel/tourism, economic growth and future costs.
Chairman Holbrook opened the floor to the Board for any questions or discussion. Commissioner Hutchins inquired about obtaining the old rail site. Shelby Manager Rick Howell replied he has received direction from the Council and the City is in negotiations with Norfolk Southern. The railroad is a very large institution and the
proposed agreement is not at the very top of their priority list even though this is very important to the local community. Mr. Howell continued by stating the City has also been working with a national organization called the Conservation Fund who has a program designed to preserve areas such as urban spaces and rail corridors. This organization is extremely experienced and has been assisting the City of Shelby with this project. Mr. Howell feels the dialogue between the City and Norfolk Southern appears to be going in a positive direction. Commissioner Allen inquired about the amount of property that is being discussed. Mr. Howell stated it is an all or nothing deal with Norfolk Southern. They are going through a rail banking system under federal law which means it would transfer the rails and easements from Norfolk Southern to our local community. Chairman Holbrook concluded by stating one of the top strategic goals of the Board has been the health of the County and its citizens and feels this project could be a step in the right direction and have a positive effect on this goal.

Mayor Anthony opened the floor to any comments or questions from the City Council. Councilman White stated the completion of the bypass along with the development of this project would have a large economic and tourism impact to the surrounding communities.

**SHELBY CLEVELAND COUNTY REGIONAL AIRPORT – PROJECT UPDATE**

Mayor Anthony called upon Shelby City Manager Rick Howell to give a project update for the Shelby/Cleveland County Regional Airport. City Manager Howell stated the airport has been in operation since the late 1950s. Previously, the maintenance and upkeep was not done and it did not benefit the community from an economic development standpoint. In 2005 the City Council meet and took over the responsibilities of running and care of the airport. Since that time the City of Shelby and the County have established and maintained an excellent working partnership to enhance the quality and functionality of the airport.

Mr. Howell explained the current 5,002’ runway exhibits significant cracking along joints within the asphalt and has extremely faded pavement markings. Based on these field observations and recent asphalt evaluations by the NC Division of Aviation, it was determined by the NC Division of Aviation and our engineering consultant, W.K. Dickson, that an asphalt overlay project on the existing asphalt runway was the best solution to address the issues with the runway. In February 2016, the City was notified of a grant award for the design and construction of the runway overlay project. After completing the grant acceptance process, the construction plans were designed and a public bid opening was conducted in March 2018. Following this bid opening, a negotiation process occurred with the low bidder, Harrison Construction Company, Division of APAC-Atlantic, Inc. to reach a final construction cost of $2,428,713.75. Funding for this final construction cost is available in the state grant that was previously awarded. The total grant amount including the related professional services is $2,520,715.75 with a 10% local match of $252,071.75.

**Runway facts and recent history:**
- 5,002’ x 100’ asphalt surface (current)
- Extended from 4,500’ to 5,002’ in 2000
- Widened from 75’ to 100’ and overlaid with 3” asphalt in 2004
Runway Overlay Project Scope:

- Repairing existing cracks in asphalt via routing, filling, etc.
- Completing a 2” asphalt overlay on the runway and connectors between the runway and parallel taxiway.
- Reflective pavement markings will be installed in accordance with current FAA standards. This increased visibility directly improves the safety of all approaching aircraft.
- Increasing the weight rating of the runway in an effort to prevent asphalt damage from heavier aircrafts.

The new asphalt surface will greatly reduce the occurrence of aggregate breaking loose from the cracks in the existing asphalt. This reduces the major concern of foreign object debris (FOD) striking aircraft.

It is anticipated that this project will add approximately 15 years to the life expectancy of the pavement. Construction on this project is anticipated to begin in early August 2018 which will result in a 21-day runway closure. Work shall be substantially completed and the runway re-opened by September 1, 2018.

Chairman Holbrook opened the floor to the Board for any questions or comments. Commissioner Whetstine inquired about the anticipated time until both new hangers would be at full capacity. Mr. Howell replied they are projecting roughly two years until the hangers are full. He continued by stating after the grant monies are received from the Board of Transportation for the hanger construction, the potential lessees will be contacted and asked for a deposit upfront to reserve a space for their aircraft. The follow through from those potential applicants will give a better perspective on the time frame for full capacity.
Chairman Holbrook recognized County Manager Brian Epley who presented the Doran Mill Abatement and Demolition Project and the Highest and Best Use Study. The Doran Mill property has been evaluated and the Board has been seeking strategies on what the next steps are concerning the 74-acre parcel. This is a very strategic piece of property and has the potential to be an advantageous return on investment. Through the working partnership between the City of Shelby and the County, joint staff has been able to do a feasibility study to determine the best use in maximizing the return of this property. There are many complexities in this project, including the removal of hazardous materials located on the property. Also, there will be traffic diversion through DOT Traffic Diversion Plans and Permitting. Traffic along Highway 226 will be diverted on Friday, Saturday and Sunday from 8:00 pm - 6:00 am throughout the duration of the project. During the November 3, 2017 capital work session, the Board formally approved developing a request for proposal (RFP) process and developing engineering estimates. The following 60 days, contractor site visits and assembling bid packets occurred. Nine responses were received with a preliminary abatement and demolition estimate of $1.5 million dollars to $2.0 million dollars and the bids ranged between $500,000 and $2.5 million dollars. The award contract was approved to the low bidder, Safeco Environmental, Inc. Low bid due diligence was done which included reference checks, credit checks, NC Licensing and accreditation checks, etc. Mr. Epley stated the water tower is being evaluated by Cole Jenest & Stone who has a Structural Engineer assessing the tower. The tower is not included in the demolition project and it will continue to stand as long as it is safe and if there is a way to incorporate it into the future site use.

Mayor Anthony opened the floor to the Council for any questions or comments they may have. Council members thanked staff and the Board for the hard work and thoroughness that is being done on the clean up of the Doran Mill site. They are excited to see the final outcome and potential return of investment for the property.

Chairman Holbrook commended staff for the energy, hard work and time that has gone in on this project.
RESOLUTION FOR JOB READY SHELL BUILDING #3 AT FOOTHILLS COMMERCE CENTER

Chairman Holbrook again recognized City Manager Rick Howell to present the proposed Resolution for Job Ready Shell Building #3 at the Foothills Commerce Center. Mr. Howell stated the Foothills Commerce Center and the two previous shell buildings are a true partnership between the City and the County. He continued by expressing his gratitude to both the Council and the Board stating that although sometimes they agreeably disagree on some items and come from different perspectives, both parties work in partnerships and agree on what is best for the community. Mr. Howell reviewed the economic development success of the two previous shell buildings that were built and sold to two large corporations. The goal of shell buildings is to bring private businesses into the area to create jobs for the citizens and allow them to make a living and have a good life thus growing the local economy. The Resolution presented is symbolic between staff members of the City and County authorizing them to work with their attorneys to draw up a binding agreement to develop a third shell building.

The City of Shelby voted first: Councilman Amaya made the motion and was unanimously adopted by the Council to approve the Resolution authorizing an agreement between the City of Shelby and Cleveland County for the funding, design and construction for Job Ready Shell Building #3 at the Foothills Commerce Center.

Chairman Holbrook opened the floor to the Board for any questions or comments. Commissioner Hutchins stated they have worked very closely with the City and have a great partnership with them. Commissioner Whetstone and Bridges spoke in support of the developing a third shell building and the proven success of the previous two.

What about the water tower??

Questions?

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The City of Shelby voted first: Councilman Amaya made the motion and was unanimously adopted by the Council to approve the Resolution authorizing an agreement between the City of Shelby and Cleveland County for the funding, design and construction for Job Ready Shell Building #3 at the Foothills Commerce Center.

Chairman Holbrook opened the floor to the Board for any questions or comments. Commissioner Hutchins stated they have worked very closely with the City and have a great partnership with them. Commissioner Whetstone and Bridges spoke in support of the developing a third shell building and the proven success of the previous two.
**ACTION:** Commissioner Hutchins made the motion, seconded by Commissioner Whetstine and unanimously approved by the Board to, approve the Resolution authorizing an agreement between the City of Shelby and Cleveland County for the funding, design and construction for Job Ready Shell Building #3 at the Foothills Commerce Center.

**SHELBY CITY COUNCIL ADJOURN**

There being no further business to come before the City Council at this time, Councilman White made the motion and was unanimously adopted by the Council to adjourn the Shelby City Council Meeting.

**AMERICAN RED CROSS LEASE AGREEMENT**

Chairman Holbrook again recognized County Manager Brian Epley to present the American Red Cross Leaseback Agreement. Mr. Epley reminded the Board the County has been negotiating with the American Red Cross for the procurement of the building for the last several months. Staff has done numerous walk throughs assessing the condition and best use plan for the American Red Cross Building. The square footage of the entire building is 15,000sqft however, the American Red Cross is requesting to leaseback approximately 1,500 square feet for a term of 20 years at no cost. The space requested is separate and would be isolated from the general use of the building. This leaseback is factored into the advantageous purchase price of $328,000 which is 17% of the tax value. Other term of the leaseback agreement includes the County carrying all costs and liability of the building. Mr. Epley stated staff feels this is an excellent opportunity to maximize square footage that otherwise would not be available. He concluded advising at this time the Board will need to authorize the County Manager to work with the County Attorney to negotiate the agreement with the American Red Cross contingent upon the sale of the building. If approved the sale should be complete by July 1, 2018.

Chairman Holbrook opened the floor to the Board for any questions or comments. Commissioner Whetstine stated in his experience in construction, that all though the building is 14 years old, it is in impeccable condition. No issues or cracks were found in the foundation or interior; it is structurally sound. Commissioner Allen also feels this is a good move for the County.
ACTION: Commissioner Hutchins made the motion, seconded by Commissioner Allen and unanimously approved by the Board to, authorize the County Manager to work with the County Attorney to negotiate a leaseback agreement with the American Red Cross.

ADJOURN

There being no further business to come before the Board at this time, Commissioner Hutchins made the motion, seconded by Commissioner Bridges, and unanimously adopted by the Board, to adjourn the meeting. The next meeting of the Commission is scheduled for Tuesday, June 5, 2018 at 6:00 p.m. in the Commissioners Chamber.

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Eddie Holbrook, Chairman
Cleveland County Board of Commissioners

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