

Greg Edds, Chairman
Jim Greene, Vice- Chairman
Mike Caskey
Judy Klusman
Craig Pierce



Aaron Church, County Manager
Sarah Pack, Clerk to the Board
John W. Dees, II, County Attorney

Rowan County Board of Commissioners

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MINUTES OF THE MEETING OF THE ROWAN COUNTY BOARD OF COMMISSIONERS

July 17, 2023 – 6:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING

PRESENT:

Greg Edds, Chairman
Jim Greene, Vice-Chairman
Craig Pierce, Commissioner
Judy Klusman, Commissioner
Mike Caskey, Commissioner

County Manager Aaron Church, Clerk to the Board Sarah Pack, Finance Director Anna Bumgarner, and County Attorney Jay Dees were also present.

Call to Order

Chairman Edds called the meeting to order at 6:00 p.m. Chaplain Michael Taylor provided the invocation. Chairman Edds lead the Pledge of Allegiance.

Consider Additions to the Agenda

Commissioner Pierce requested to add an item to the Consent Agenda as Item UU:

- Schedule a public hearing to consider accepting Fortius' offer to purchase 33.25 acres in Summit Corporate Center under NCGS 158-7.1 private sale for economic development and consider approving the Access Agreement with Fortius.

Consider Deletions From the Agenda

There were no deletions from the agenda.

Consider Approval of the Agenda

On motion of Pierce, seconded by Klusman, the Board voted 5-0 to approve the agenda as amended.

Consider Approval of the Consent Agenda

On motion of Pierce, seconded by Klusman, the Board voted 5-0 to approve the Consent Agenda as amended, as follows:

- LOBBYING REPORT: Approve County Manager to Sign/Submit 2023 Principal Expense Report Form*
- Satisfactions for Community Development Block Grant Deeds of Trust*

- C. *GRANT AGREEMENT: Approve Byrne Justice Assistance Grant Agreement for Sheriff's Office*
- D. *GRANT APPLICATION: Approve American Kennel Club Reunite "Adopt a K-9 Cop" Grant Application for Sheriff's Office*
- E. *DIRECTED GRANT AGREEMENT: State Fiscal Recovery Fund Agreement from the North Carolina Department of Environmental Quality Session Law 2022-74*
- F. *Approve Sale of Ground Leased Hangar T13*
- G. *Notification of Law Enforcement Support Office Program Participation*
- H. *Amendment #1 - Family Closet & Consignment Shop Lease*
- I. *Amendment #2 - Rowan County Veterans Honor Guard Lease*
- J. *Sole Source - Tenika Reddick, Breastfeeding Peer Counselor*
- K. *Consider Approval of the Minutes*
- L. *Sole Source - Everbridge*
- M. *Reappointment of County Assessor*
- N. *Sheriff's Office Surplus Uniform Disposal*
- O. *GRANT AGREEMENT: Request to approve funding agreement for Transit Fiscal Year (FY) 24 "5311 Admin" grant*
- P. *GRANT AGREEMENT: Approve funding agreement for Transit FY24 5310 Enhanced Mobility Grant*
- Q. *Sole-Source Idemia - Detention Center & Sheriff's Office*
- R. *GRANT AGREEMENT: Request to Approve HOME-American Rescue Plan Act Funding Agreement*
- S. *Lease Agreement - 6620 Bringle Ferry Road*
- T. *Lease Agreement - 750 Sloan Road*
- U. *Schedule Public Hearing on August 7, 2023 for Z 02-23: Fisher Athletic*
- V. *Schedule Legislative Hearing for SNIA 02-23: Performance Pit Oakridge Limited Liability Company (LLC), for August 7, 2023*
- W. *Resolution of Support - Access Road for Driver Training Range at Rowan Cabarrus Community College*
- X. *Award Facilities Generator to AGS Contracting LLC.*
- Y. *TAX REFUNDS FOR APPROVAL*
- Z. *Approve Taxiway Rehab Project - J.T. Russell & Sons, Incorporated (Inc.) - Contract*
- AA. *WSP USA, Inc., formerly Golder Associates NC, Inc - Environmental Consulting Agreement*
- BB. *Lease Agreement - Rowan County Agricultural & Industrial Fair Association - Parking Lease FY24*
- CC. *Award Mid-Carolina Regional Airport Food Lion Hangar Generator - The Krydon Group*
- DD. *Award Door Access - Insight Low Voltage*
- EE. *Request to Approve GREAT Grant 3-party Contract*
- FF. *Award DNP Nature Center Trail - R&L Glover Enterprises, Inc.*
- GG. *Request to Approve GRANT AWARD for Plumbing Grant*
- HH. *Sole-Source MCCi - FY24*
- II. *Bonney Staffing - Health Dept.*
- JJ. *Bonney Staffing - Human Resources*
- KK. *Request for Public Hearing for 'Project Puma'*

LL. *Sole-Source FY24 - ESRI*
MM. *Sole-Source FY24 - Service Commander Software, Inc*
NN. *Sole-Source FY24 - Tyler Technologies ERP*
OO. *Sole-Source FY24 - ES&S Maintenance*
PP. *Blue Cross Blue Shield of NC Amendment to Contract*
QQ. *FY23 Environmental Management Debt Write Off*
RR. *Budget Amendments, as follows:*

<i>Health</i>	<i>To budget for AA130 Management of Chronic Illness in Pregnancy funding and expenditures</i>	<i>\$8,000</i>
<i>Health</i>	<i>To budget for awarded PDO grant funding and expenditures</i>	<i>\$50,000</i>
<i>Health</i>	<i>To align budget with AA351 Child Health actual awarded funding</i>	<i>\$768</i>
<i>Transit</i>	<i>Increase Budget for 5310-Rural State Elderly & Disabled Transportation Grant</i>	<i>\$375,000</i>
<i>Finance</i>	<i>To align FY24 Home and Community Care Block Grant budget with the actual approved funding plan</i>	<i>\$10,683</i>
<i>Health</i>	<i>To align budget with AA415 Breastfeeding Peer Counseling Program funding</i>	<i>\$44,824</i>
<i>Airport</i>	<i>To budget Hangar Project in FY24</i>	<i>\$19,028,550</i>
<i>Grants</i>	<i>To budget Sheriff Department JAG Grant</i>	<i>\$24,500</i>
<i>Grants</i>	<i>To budget HOME American Rescue Plan Act Grant</i>	<i>\$797,482</i>
<i>Grants</i>	<i>To budget Water Dept North Carolina Department of Environmental Quality Grant</i>	<i>\$1,900,000</i>
<i>Sheriff</i>	<i>To budget additional 14 Detention Employees Bonus Pay</i>	<i>\$36,400</i>

SS. *Sheriff's Office Bonus Pay*
TT. *Clothing Allowance for Detective Division*
UU. *Schedule a public hearing to consider accepting Fortius' offer to purchase 33.25 acres in Summit Corporate Center under NCGS 158-7.1 private sale for economic development and approve the Access Agreement with Fortius. (Agenda Addition)*

Public Comment

Chairman Edds opened the floor for public comment and closed it after everyone who wished to speak had done so.

Connie Byrne, 216 Goldston Street, Kannapolis, urged qualified citizens to take advantage of the tax deferment program. She read some of the requirements to qualify for the program.

Consider PE 04-23: Dragon Boat Festival

Aaron Poplin, Planning Technician, said the Rowan County Chamber of Commerce is requesting a Permit to Exceed for the ninth annual Rowan Chamber Dragon Boat Festival on July 22nd, 2023, at the Shrine Club, 6480 Long Ferry Rd, on High Rock Lake. The Dragon boat races are part of a day-long lakeside festival that will raise money for small business programs here in Rowan County. The applicant expects the festival to attract around 3,500 people. Mr. Poplin shared the Application Review, including 10 criteria to consider in order to issue or deny a permit to exceed. Based on these criteria, the application meets all criteria necessary for approval.

Elaine Spalding, President of the Rowan Chamber, thanked the Board for their support of the Festival. There are 31 teams participating in the boat races this year. She gave details regarding the event.

Chairman Edds asked how many out-of-town teams will participate and Ms. Spalding said there are four.

Chairman Edds invited public comment, and hearing none, closed the floor.

On motion of Pierce, seconded by Greene, the Board voted 5-0 to approve PE 04-23.

Consider PE 05-23: Float the Goat

Shane Stewart, Assistant Planning Director, said Mikey Wetzel is requesting a permit to exceed the noise ordinance standards for a free concert termed “Float the Goat”, which would feature live music played from a floating stage (or pontoon boat) near “Goat Island” on High Rock Lake on Sunday, August 6th with a backup date of August 13th between 2:00 p.m. and 5:00 p.m. Mr. Stewart showed an aerial view of the site and shared the Application Review, including 10 criteria to consider in order to issue or deny a permit to exceed. Based on these criteria, the application meets all criteria necessary for approval.

Mr. Wetzel thanked the Board for their support of the event. There is a lot of community support.

Chairman Edds opened the floor for public comment and closed it after no one wished to speak.

On motion of Greene, seconded by Pierce, the Board voted 5-0 to approve PE 05-23.

Public Hearing and Summary Presentation: Project Swarm (Economic Development)

Scott Shelton, Rowan Economic Development Corporation (EDC) Vice President, gave a presentation regarding an incentive request for “Project Swarm” and said the company is considering Rowan County for a new distribution facility. The company behind Project Swarm has been in business for decades and is a household name in its industry. The company is currently evaluating potential properties in the mid-Atlantic and southeastern United States for a new distribution center. Among the candidates for this new facility is a property in Rowan County. If Rowan County is chosen, the company would create 112 new jobs over the next six

years. It is estimated that the total new investment in Rowan County would be \$41 million. The company plans to begin operations at its chosen location in early 2025.

There does not appear to be any regulatory barriers to this project moving forward. The company will work with City of Kannapolis staff to navigate the appropriate review and permitting process. There are no components of the proposed project that appear outside the normal scope of operations for these types of facilities.

Rowan County's adopted Investment Grant Program provides a five-year grant to companies investing in our community. The grant is established by a contract between the company and the County. The company must pay their taxes in full each year based on the actual tax value of the property or investment to be eligible to receive the grant. If the company meets all of the criteria in the contract, a grant is issued to the company based on a percentage of taxes paid.

Rowan County uses a scoring system to determine incentive eligibility and grant levels. This system awards points based on important factors such as capital investment, total job creation, average salary, employee health insurance coverage, and industry sector. Each of the three grant levels requires a minimum number of points scored. The amount of the grant is based on a designated percentage level for five consecutive years.

Based on the project parameters provided to the Rowan EDC by the company and the Economic Development Partnership of North Carolina, 'Project Swarm' scored a total of 6 points which would qualify it for a Level 2 Grant. This grant would be equivalent to 45% of the new taxes paid. The company is requesting a Level 2 Grant under this program for the amount and duration adopted in the policy. In order to illustrate the financial impact of this potential project on the County we have projected revenue returns over a 10-year period.

The Rowan EDC is working with 'Project Swarm' to pursue a \$200,000 One NC Grant through the State of North Carolina. This grant can help the company purchase and install new equipment, as well as fund building renovations and improvements. Rowan County would need to apply for this grant on the company's behalf. If approved, the grant would be awarded to Rowan County who would then disburse funds to the company if the job creation requirements are met. The required local match for this grant can be satisfied through the County's own incentive grant. The City of Kannapolis will hold a public hearing on July 24th to consider its own incentive grant for the project.

If Rowan County were chosen, Project Swarm plans to complete the majority of its' improvements by the end of 2024. Operations would begin in early 2025. The overall investment timeline is based on information provided to the Rowan EDC by the company. The evolving nature of County tax rates, assessed value of the installed equipment, and construction timelines require certain assumptions in order to develop a functioning model. To establish a baseline, the following constants were applied:

- The County tax rate is fixed at the current rate of \$0.58
- The company's new facility has an estimated value of \$25 million and will be completed by December 31, 2024
- \$16 million of equipment installation occurs prior to December 31, 2024

- The project is complete by December 31, 2024, with a total investment of \$41 million
- Depreciation for business personal property was estimated using the State of North Carolina's 2023 Depreciation Schedule A
- Ten-year lifespans were assumed for all business personal property depreciation

In application, it is unlikely that all assumptions will hold constant. The model provides general trends of expected revenues and expenditures. Incorporating the above framework, the following outcomes are projected:

- During the five incentivized years, the County would collect \$1,140,744 in revenue and provide incentive grants totaling \$513,335. The County would retain \$627,409 of revenue during the incentive term.
- Modeled with a 10-year horizon, the County would stand to collect an estimated \$2,067,120, disburse a \$513,335 grant and retain an estimated \$1,553,785 of new revenue.

Mr. Shelton said this project appears to have a lengthy list of positive attributes and no apparent liabilities. If Rowan County were chosen, Project Swarm would create a total of 112 new full-time jobs, as well as add \$41 million to the County's tax base. The project would also generate approximately \$1.5 million of net tax revenue for the County over the next ten years.

At 6:17 p.m. Chairman Edds opened the Public Hearing and closed it after no one wished to speak.

On motion of Caskey, seconded by Klusman, the Board voted 5-0 to approve economic development grant for Project Swarm.

On motion of Edds, seconded by Pierce, the Board voted 5-0 to authorize a grant application submission for the One NC Grant.

Financial Reports

Finance Director Anna Bumgarner presented the financial reports. She compared annual cumulative expenditures, with 2023 totaling \$160,278,437 for June. Annual cumulative revenue is up for 2023, with \$192,846,329 for June. Ms. Bumgarner gave examples of items contributing to the increase in revenue. She explained interest revenues. In May, the annual cumulative property tax for 2023 was \$93,194,010. Ms. Bumgarner said in March 2023, the annual cumulative sales tax was \$32,797,252. She compared monthly sales taxes from 2020 to 2023. The Medicaid Hold-Harmless is the reason for the sharp increase during March.

Board Appointments

On motion of Pierce, seconded by Greene, the Board voted 5-0 to appoint Michael McClain to the ETJ Seat on the City of Kannapolis Board of Adjustment.

On motion of Pierce, seconded by Greene, the Board voted 5-0 to waive the 2-term limit

Pierce/Greene and appoint Ronald Jacobs to the ETJ Seat on the Granite Quarry Planning Board.

On motion of Pierce, seconded by Greene, the Board voted 5-0 to appoint Lucas Safrit to the At Large Seat on the Historic Landmark Commission.

On motion of Pierce, seconded by Greene, the Board voted 5-0 to waive the residency requirement for the Chief Court Counselor seat on the Juvenile Crime Prevention Council.

On motion of Pierce, seconded by Greene, the Board voted 5-0 to appoint Gayle Alston to the Chief Court Counselor Seat by virtue of her position as the District 19 Chief Court Counselor on the Juvenile Crime Prevention Council.

On motion of Pierce, seconded by Greene, the Board voted 5-0 to appoint Jamie Durant to the Community Stakeholder Seat on the Local Emergency Planning Committee, and to appoint Jeff Moore to the County Seat on the Locke Volunteer Fire Department Fire Commission.

Closed Session

At 6:26 p.m. on motion of Edds, seconded by Pierce, the Board voted 5-0 to enter into closed session pursuant to NCGS 143-318.11(a)(1) to consider approval of the minutes of the Closed Session held on June 19, 2023, as described by NCGS 143-318.10(e) providing that minutes or an account of a closed session may be withheld from public inspection so long as public inspection would frustrate the purpose of a closed session, and pursuant to NCGS 143-318.11(a)(3) to consult with an attorney employed or retained by the public body in order to preserve attorney-client privilege regarding a matter involving a settlement between Larry Putnam and Rowan County, and a matter regarding an additional litigation.

Regular Session

At 7:28 p.m. regular session resumed.

On motion of Pierce, seconded by Pierce, the Board voted 5-0 approve the Settlement Agreement and partial refund of the original payment with the balance being applied to Mr. Putnam's current outstanding balance.

Adjournment

At 7:28 p.m., on motion of Pierce, seconded by Greene, the Board voted 5-0 to adjourn.

Sarah Pack, NCCCC
Clerk to the Board