



Chatham County, NC

Meeting Minutes

Board of Commissioners

Thursday, February 25, 2016

8:30 AM

DSS Classroom

Local Delegation Breakfast

CALL TO ORDER

- Present:** 4 - Chairman Jim Crawford, Commissioner Mike Cross, Commissioner Karen Howard and Commissioner Walter Petty
- Absent:** 1 - Vice Chair Diana Hales

BOARD PRIORITIES

16-1611

Review Issues with State Legislators

Representing Siler City were Town Manager Bryan Thompson, Planning Director Jack Meadows, and Mayor John Grimes.

Representing Goldston were Mayor Tim Cunnup and Steve Cunnup, Town Council.

Representing Pittsboro were Mayor Cindy Perry, Town Manager Bryan Gruesbeck, and Jon Bonitz, Town Council.

Senator Valarie P. Foushee and Representative Robert T. Reives, II were also present.

County Manager Renee Paschal welcomed everyone to the breakfast.

Bryan Thompson, Siler City Town Manager, stated the Town of Siler City and the County are jointly requesting a local bill that would exempt the town of Siler City from a satellite annexation of 10%. The goal of this would be to allow Siler City to annex the Chatham Advanced Manufacturing (CAM) site. This would be a non contiguous satellite annexation. There is a 10% limitation for satellite annexation. There are exemptions allowed and there are currently ninety-nine cities with exempt status. Adding to the list of exempted communities is relatively impervious to the recent annexation reform. Mr. Thompson reviewed the breakdown of the annexation for Siler City. Siler City has around 3,600 acres. The 10% requirement gives an available balance of 367 acres that can be annexed. The town has already exhausted 218 acres of that balance leaving 149 acres. The CAM site is 1800 acres. The 10% would not cover the entire CAM site. The CAM site represents a strong economic interest for Siler City, the County, the region and the State. The 10% limitation precludes the Town's ability from advancing the competitiveness of the site. If Siler City is able to annex the CAM site, if requested by any potential developer, it would empower Siler City to be able to participate with Chatham County in incentives. Utilities are also important. There are two rate structures, inside the city limits and outside the city limits. If a manufacturer is not brought into the city limits and is a heavy water and sewer user they would get the brunt of the outside rate which is two

times the inside rate. This would put Siler City and its ability to recruit and land a major manufacturer at a distinct disadvantage as compared to other sites.

Commissioner Howard asked if the local bill would be getting rid of the 10% all together. Mr. Thompson stated yes. Commissioner Howard asked if the annexation would only include the CAM site or if it would include additional property that incorporates the CAM site. Mr. Thompson stated it would include what the developer or manufacturer was looking to receive. If they are considering a project in phases they may only want to annex one phase at a particular time.

Mayor Grimes stated if Siler City is fortunate enough to get an auto manufacturer there would be other supporting industries that may also want to locate within the satellite annexation.

Rep. Reives asked if the Siler City Board is unanimous in this request. Mr. Thompson stated there hasn't been any formal action but there is consensus. Mayor Grimes stated no one on the Board has expressed any opposition to the request.

Sen. Foushee stated it would be helpful to have a resolution from both Boards.

The County Manager spoke to the legislators about a special assessment district for Chatham Park. She stated the difference between a regular assessment and a special assessment for critical infrastructure is that the County can borrow money for the special assessment and the property owners have twenty-five years to repay it. In a regular assessment the County cannot borrow money and the property owner must repay it within ten years. Only two jurisdictions have used this authority, the Town of Hillsboro and Mooresville. The County was approached by Chatham Park and asked to consider imposing a special assessment district overlaying the entire development but they are not asking the County to upfront the money. The developer is willing to pay the money up front and is looking to use the special assessment to pay for part of the cost. The County's bond attorney has reviewed the statute and does not believe it gives the County explicit authority to do what Chatham Park has requested. Chatham Park's attorneys and the County's bond attorney have come up with some amendments to the existing legislation that would grant the County the explicit authority. It also explicitly allows assessments to be held in abeyance until the property is sold. The Town of Pittsboro voted and approved the County proceeding with investigating doing the special assessment. The County is in the initial stages of looking into the special assessment. The Board will decide whether or not to approve it in the future. Chatham Park is presenting to the Board of Commissioners on March 7, 2016 to make the official request to authorize staff to proceed with investigating the special assessment. If the County decides to do the special assessment, the legislation has to be amended. The North Carolina Association of County Commissioners and the League of Municipalities have reviewed the proposed legislation and they do not have any issues with it.

Commissioner Petty asked if the proposed legislation would affect the County's AAA bond rating. The County Manager stated the legislation states that under the legislation the County can impose a special assessment district and have the developer pay the cost of the infrastructure. The question of whether or not it will affect the County's bond rating will have to be answered later on in the process. The bond attorney believes the County needs approval from the Local Government Commission.

Assistant County Manager Dan LaMontagne spoke to the legislators about Jeremiah Drive. He stated around Christmas the County had a lot of rain and Jordan Lake reached levels that had not been seen since Hurricane Fran. Jeremiah Drive is in

northeastern Chatham County and it was under six feet of water for three weeks. This is an issue with DOT and the Army Corp of Engineers. The County has made raising this road a priority for several years and has submitted it as a project but it has never scored high enough to be funded through the Metropolitan Planning Organization. The County understands there may be some special funds and perhaps the legislators could request DOT to study this for other options.

The County Manager spoke to the legislators about sales tax. She asked that they be mindful of the issue. She stated that the county is losing sales tax to zip codes that aren't related to Chatham County towns but that actually are in Chatham County. 65% of the County's building permits occurred in these zip codes and 80% of deliveries were made to these zip codes. The Department of Revenue (DOR) worked with the County to clean up its addressing database and about 1,000 addresses have been corrected and are no longer showing up in another county. The County has presented this as a legislative goal to the North Carolina Association of County Commissioners but the NCACC did not adopt it as a goal because it affects few counties. The goal is to ask the state to require vendors to report either by county or by using the nine digit zip code. She believes the best resolution is a statewide addressing database.

The County Manager spoke to the legislators about the elimination of the economic development tiers. The County is worried it is going to be replaced with something similar. Chatham County is very disadvantaged under the current tier system. Williams Township in the northeastern part of the county has a median household income in 2014 of almost \$80,000. Matthews Township in the western part of the county has a median household income in 2014 of about \$35,000. The tier system disadvantages economically distressed communities in a wealthy county, which is what we have in Chatham. The County is requesting that if the tier system is replaced that there be some meaningful county input in the new system and that it not unfairly disadvantage areas like Siler City.

John Bonitz, Pittsboro Town Council, asked if there has been an alternative to the tier system created or studied. Sen. Foushee stated the Legislature is in the process of doing that.

The County Manager stated the Board of Commissioners approved a resolution supporting the Connect NC Bond Act and a resolution supporting the Prevention Partners Wellness Initiative.

Sen. Foushee asked for a copy of the marked up legislation electronically.

Sen. Foushee thanked everyone for inviting the legislators today. She stated there could possibly be more legislation in the short session that affects local governments.

Rep. Reives stated he wants to hear from the local elected officials about how they think government should run, he doesn't believe it should be a partisan issue.

Mayor Grimes stated he is concerned about the local bill for the Siler City annexation and he asked what the chances are of them getting it passed in the short session. He stated he would help them any way he can.

Sen. Foushee stated the bill will be introduced by both Sen. Foushee and Rep. Reives in their respective chambers. She stated it getting passed will depend a lot on any controversy associated with it. If they can get resolutions from both Boards it stands to get more positive attention.

Rep. Reives stated introducing the bill is not an issue but getting it heard can be an issue.

Sen. Foushee and Rep. Reives stated Siler City and the County should pass identical resolutions.

Chairman Crawford asked if it would be helpful for him and others to come to Raleigh to speak to other legislators about the bill.

Sen. Foushee stated it would be helpful to have local officials present when the bill is presented.

Commissioner Cross asked if it would help to have letters of support from state and local organizations working on the CAM site. Sen. Foushee and Rep. Reives both stated it could not hurt.

BREAKFAST

ADJOURNMENT