

CUMBERLAND COUNTY POLICY COMMITTEE
NEW COURTHOUSE, 117 DICK STREET, 5TH FLOOR, ROOM 564
JUNE 3, 2010 – 9:30 AM
MNUTES

MEMBERS PRESENT: Commissioner Ed Melvin
Commissioner Phillip Gilfus

MEMBER ABSENT: Commissioner Kenneth Edge

OTHERS PRESENT: Commissioner Marshall Faircloth
James Martin, County Manager
Amy Cannon, Assistant County Manager
Rick Moorefield, County Attorney
Harvey Raynor, Deputy County Attorney
Sally Shutt, Communications Manager
Howard Abner, Assistant Finance Director
Kristoff Bauer, Assistant City Manager
City of Fayetteville
Doug Byrd, Chamber of Commerce
Bo Gregory, Chamber of Commerce
Marie Colgan, Clerk to the Board
Press

In the absence of the former Chairman, Commissioner Phillip Gilfus called the meeting to order.

1. Election of Chairman

MOTION: Commissioner Melvin moved to elect Commissioner Gilfus as Chair.
SECOND: Commissioner Gilfus
VOTE: UNANIMOUS

2. Approval of Minutes: December 3, 2009 Meeting

MOTION: Commissioner Melvin moved to approve as presented.
SECOND: Commissioner Gilfus
VOTE: UNANIMOUS

3. Consideration of Request of R. E. Goodson Construction Co., Inc. to Connect to and Travel Over County Property from Company Property

County Manager Martin advised that a request has been received from R.E. Goodson Construction Company to allow travel over county property and called on Butch Raynor, Deputy County Attorney, to provide information on the request. Mr. Raynor explained that R.E. Goodson is doing the field work for the I-295 project and referred members to the site maps. Mr. Raynor reported that R.E. Goodson had requested the county grant it a license to use a 2.5 acre parcel owned by the county to access NC Highway 210 from Goodson's property being used as a borrow pit for a two-year period. R.E. Goodson has direct access to NC Highway 210 across a 140 foot tract which separates the homes of the two sisters who sold the company the property, but the sisters requested that an attempt be made to obtain access at a different location other than their property where they live. After discussion, it was agreed that Mr. Raynor would ensure that the license would indemnify the county for any liability during its use and that he would seek compensation for its grant. Commissioner Melvin also wanted to ensure that the property will be left as it was at the end of the two-year license and Mr. Raynor assured him that it would be in better condition. Commissioner Faircloth requested that the tax valuation information be presented to the full board at the time it is brought to them.

MOTION: Commissioner Gilfus moved to allow Mr. Raynor to go forward on this project with the caveat that Mr. Raynor will seek appropriate compensation and will ensure that the license covers liability issues. A report will be presented at the June 21st Board meeting and approval will be requested at that time.

SECOND: Commissioner Melvin

VOTE: UNANIMOUS

4. Consideration of Joint Economic Development Policy

County Manager Martin stated there has been ongoing work on the policy being proposed since the Board's planning session in February. Mr. Martin informed members that Mr. Bauer from the City and Mr. Gregory and Mr. Byrd from the Chamber are in attendance to help answer questions the committee may pose. Mr. Martin advised some parts of the policy are particular to the city, some are particular to the county and some are particular to both. County Attorney Moorefield called members attention to the proposed policy in their packet stating it is the policy which has been adopted by the City Council. Mr. Moorefield stated the policy is not an aggressive policy, but more of a baseline approach. The following highlights were noted:

- The Chamber will continue to serve as the responsible agency for coordinating, developing and handling the economic development projects.
- All projects supported by economic development incentives must serve a public purpose.

- Any incentives that are offered or provided to a company must be supported by evidence that the company needs the incentives in order for the project to be agreed upon. The gap analysis referred to under the Economic Justification section should be re-worded in order for the meaning to be clear.
- General Eligibility Criteria spells out the fact there are differences in projects depending on where they are located – city or county. It is important to state that projects are subject to property tax.
- Three programs have been listed to meet the needs of potential city and county projects: Property Tax Grantback, Tax Increment Funded Public Infrastructure, and Property Price Grantback – all are derivatives of the same grantback concept that the increase in tax revenue generated by the project can be directed through an economic development contract with the company for a specific purpose.
- Support Programs are all specific to city projects.
- The point system is used to establish which projects meet the criteria for receiving the stated percentage of tax grantback. The city's and the county's interest in this area are very different because of the county's school funding agreement. Recommend adjusting this table to address school funding issue.
- Under Project Location, the policy allows for revitalization zones to be designated with the highest point value assigned.

Mr. Moorefield suggested that a county specific section may want to be considered if the commissioners had particular interests or programs they wanted to promote.

Mr. Martin recognized Mr. Bauer who ensured members that even though the policy has been adopted by the City Council, it was dependent upon the county also adopting it since it is a joint policy. Mr. Bauer explained the background of the policy and in answer to concerns posed regarding the point system, he pointed out the language which states the point system is important but that it is not the controlling element of the decision making process. Discussion ensued regarding how the point system works in various instances. Mr. Bauer recommended members to consider adopting as is and then adjustments can be made in the next couple of months as needed. Mr. Gregory and Mr. Byrd explained how important this type document is to their presenting both the city and the county to potential economic development clients. Discussion ensued regarding the school funding agreement and the policy with regard to the point system. It was agreed that this needs to be taken into consideration when renewing the school funding agreement.

Commissioner Gilfus questioned how often incentives were used in the last five years and Mr. Martin stated several companies have been offered incentives, but chose not to locate in the county. Mr. Martin then noted the following projects had received incentives: Cingular Call Center, South River Electric, Neta Gelatin, and a Rajan Shamdasani project. Mr. Gregory stated there are three projects in the hopper now that include incentives. Further discussion on the school funding with regard to incentives

was prompted by a question from Commissioner Gilfus and it was decided that this can also be addressed during the negotiation to renew of the school funding agreement.

Discussion renewed regarding what latitude the county has regarding various parts of the policy, especially the various programs listed. Mr. Moorefield voiced concern with some areas of the policy but stated he believed those issues could be worked out over time. Commissioner Melvin asked for confirmation that the policy could be revised as needed. Mr. Martin stated that with legal's support, management recommends it be approved with any needed revisions proposed in the future.

MOTION: Commissioner Melvin moved to recommend the policy to the full Board.

SECOND: Commissioner Gilfus

VOTE: UNANIMOUS

5. Other Matters of Business

There were no other matters of business.

MEETING ADJOURNED: 10:10 AM