

TOWN OF BISCOE

BOARD OF COMMISSIONERS MEETING

05.13.13

AGENDA

1. CALL TO ORDER
2. CONSENT AGENDA
 1. APPROVAL OF MINUTES 04.08.13
 2. LYME DISEASE AWARENESS MONTH
 3. MOTORCYCLE SAFETY AND AWARENESS MONTH
3. NC WILDLIFE REPORT ON TOWN-OWNED 229 ACRES
4. REQUEST FOR ALLOWING BENCHES IN THE NEW SECTION OF THE CEMETERY
5. REQUEST FOR SEWER
6. HOMETOWN VETERANS MEMORIAL
7. PROJECT UPDATES
 1. SEWER TO THE MEGAPARK
 2. DASH AND SPLASH
 3. VOLUNTARY ANNEXATIONS: MARTIN STREET/LURIE DRIVE
 4. DESIGN AND DEVELOPMENT WORKSHOP
 5. SCHEDULING OF AN ADDITIONAL BUDGET WORKSHOP
 6. INCENTIVES FOR TWO COMPANIES
 7. NEW ECONOMIC DEVELOPMENT INCENTIVE POLICY
8. PUBLIC FORUM
9. ADJOURNMENT

2. CONSENT AGENDA

**TOWN OF BISCOE
BOARD OF COMMISSIONERS MEETING
April 8, 2013**

The Town of Biscoe Board of Commissioners met in a regular session on April 8, 2013 at 7:00 pm in the Municipal Building.

Present were: Mayor Michael Criscoe, Mayor Pro-Tem Jerry Smith, Commissioners, Gene Anderson, and John Beard. Jimmy Blake was absent. Town Manager Brooks Lockhart and Town Clerk Laura Morton were also present.

Call to Order

Mayor Michael Criscoe called the meeting to order at 7:00 pm.

Consent Agenda

A motion was made by Mayor Pro-Tem Smith, seconded by Commissioner Beard, and so the motion carried unanimously to approve the following consent agenda items:

- a) Approval of Minutes 3-11-13
- b) Monthly Financial Reports (February and March)
- c) Support for Heart of NC Megapark/Interstate 73/74

Swearing in of Police Chief Tedder

Town Clerk Laura Morton administered the oath of office to new Town Police Chief Michael Brent Tedder.

OATH OF OFFICE

"I, Michael Brent Tedder, do solemnly swear (or affirm) that I will support and maintain the Constitution and laws of the United States, and the Constitution and laws of North Carolina not inconsistent therewith, and that I will faithfully discharge the duties of my office as Town Police Chief, so help me God."

The Board welcomed Chief Tedder as Chief.

Inflow and Infiltration Study Presentation/Asset Management

Bob Froneburger with WK Dickson presented the results of the Town's Inflow and Infiltration Study. He also gave a presentation on an asset management plan. The Board discussed scheduling and paying for the needed repairs. Mr. Lockhart said for every dollar spent on correcting the problems, the Town would see a return in the cost of chemicals, etc.

PROJECT OBJECTIVES:

- *Conduct Infiltration / Inflow Evaluation to identify and document needed collection system improvements to provide a reliable collection system and reduce peak flows to WWTP*

- Prepare Asset Management Plan to meet funding agency requirements
- Prepare a comprehensive Preliminary Engineering Report identifying needs and plan for addressing infrastructure rehabilitation needs.

Biscoe Wastewater Infrastructure System Overview

- 22 miles of gravity sewer
- 7 sewer drainage basins
- 10 pump stations
- 0.5 mgd WWTP

INFILTRATION / INFLOW EVALUATION

Infiltration

Groundwater leaking into pipes and manholes through joints, porous walls or breaks.

Inflow

Extraneous flow entering sanitary sewer system from sources other than infiltration such as roof leaders, cleanouts, storm water drains, manhole covers or other openings in the system.

Biscoe System Infiltration

- 150 gpd / inch-mile
- Biscoe Collection System ~ 180.9 inch-miles
- System Infiltration ~ 27,000 gpd during wet months

Excessive Infiltration

- DENR Excessive Infiltration – 3,000 gpd/ inch-mile
- New System Allowance – 100 gpd/ inch-mile

Biscoe System Inflow

1. 237 gpd/capita
2. Biscoe ~ 1700 Capita
3. System Inflow ~ 405,900
4. Biscoe ADF = 200,000 gpd w/ PDF @ 560,000 (PF = 2.8)

Excessive Inflow

- *DENR Excessive Inflow- 275 gpd/capita*

INFILTRATION / INFLOW EVALUATION

Area 1

Collection system east of Hwy 220 & Aberdeen Carolina RR including Burton Street PS, Brendana PS and Food Lion PS

(41,074 lf gravity sewer, 35% of Biscoe sewer system)

Area 2

Collection system to south serving GVK, East Montgomery High School and Green Ridge Elementary

(8480 lf, 7% of Biscoe sewer system)

I / I OBJECTIVES

- *Locate sources of I/I*
- *Manhole Inventory and Physical Inspection*
- *Smoke testing*
- *CCTV of selected areas*
- *Identify and prioritize needed repairs*
- *Provide an opinion of cost for rehabilitation*

MANHOLE INVENTORY & INSPECTIONS

- *189 Manholes*
- *Observations*
 - *Deteriorated benches*
 - *Root intrusions*
 - *Open holes in walls*
 - *Misaligned covers and frames*
 - *Vented covers in low areas*
 - *Accumulations of solids and debris causing blockage*

SMOKE TESTING :

- *47 Smoke Test Performed*
 - *Observations:*
 - *Storm drain connections*
 - *Broken or missing cleanout caps (57%)*
 - *Damaged services lines (21%)*
 - *Damaged collection system pipes*

CCTV EVALUATIONS:

- 11,920 lf of CCTV Performed
 - Observations:
 - Protruding or Dropped Inverts
 - Defective laterals
 - Root Intrusions
 - Sags in piping
 - Debris deposits creating blockage
 - Defective or leaking joints

INFILTRATION / INFLOW EVALUATION

RECOMMENDED REHABILITATION REPAIRS

	<u>Probable Cost</u>
<i>I/I Repairs Identified by Smoke Testing</i>	\$43,400
<i>High Priority Manhole Repairs</i>	27,800
<i>Medium Priority Manhole Repairs</i>	36,000
<i>Low Priority Manhole Repairs</i>	13,100
<i>High Priority CCTV Repairs</i>	153,600
<i>Medium Priority CCTV Repairs</i>	104,500
<u><i>Low Priority CCTV Repairs</i></u>	<u>15,500</u>
TOTAL PROBABLE COST:	\$393,600

ASSET MANAGEMENT PLAN:

Required to meet funding agency requirements.

Includes:

- Inventory of assets
- Assessment of condition
- Development of a capital improvement plan (CIP) with cost projections
- Proposed implementation plan
- Operation and maintenance plan

ASSET MANAGEMENT PLAN:

Population Projection

- Utilized NCOB&M projections for Montgomery County.

- Biscoe at 6.07% of County population.
- Growth from current 1700 to 1905 in 2032.
- Expected growth in wastewater from 0.2 mgd to 0.24 mgd average daily flow.
- ? Mega-park impact.

ASSET MANAGEMENT PLAN:

Capital Improvement Plan

- WWTP Upgrade - \$1,168,000
- Pump Station Upgrades - \$782,000
- Odessa Rd Area Expansion - \$780,000
- Repairs per I/I Evaluation - \$393,600
- Annual CCTV & Cleaning - \$50,000
- Ongoing Sewer Rehab. - \$100,000
- Fiscal Model of Water – 2013 to 2033
- Operation & Maintenance Plan

Town of Biscoe

Myrick Property

Pump Station, Force Main & Gravity Sewer Update

Project Status – March 22, 2013

- Current Contract Completion Date - July 20, 2013
- + 12 Abnormal weather days through February plus 15 days requested for March = 27 days
- Schedule (without weather days) - 33%
- Project Completion based on cost -11.1%
- Payments with retainage & stored materials
 - \$396,468 of total \$1,811,663 = 21.9%

Project Status – March 22, 2013

- Force main
 - 5330 lf of FM installed of total 16,520 lf
 - Myrick site up to Hwy 24/27
 - Current work on Hunsucker St
 - Expect construction to progress to area along Hwy 220 and Leach Street in April.
 - Major road & railroad crossings starting in April.

Project Status – March 22, 2013

- Pump Station
 - Wet well and valve vault installed
 - Water line installed

- Shop drawing for pumps and controls

Duke Energy's Site Readiness Program

The Town of Biscoe's 220 Acres located between Old Us 220 and Interstate 73/74/US 220 has been selected to participate in Duke Energy's Site Readiness Program. Ashley Sherrill Cagle was present and discussed this program, the benefits to the Town, and related costs. Mrs. Cagle said that since we are in Duke Energy's area, we qualified for this program. Funds can be used to prepare the site for certification. The only cost to the Town is \$500, which has already been paid. This will do a lot of good for a little amount of money. She explained that there would be a community presentation. They will come back with recommendations and at that point the Town will be eligible for a matching grant of \$10,000. Mrs. Cagle recommended the Town proceed with an Environmental Assessment or Study of the property (which is required to develop the land). She said with permission from Town Manager Lockhart to get a quote for this study. The cost would be \$3,200.

The Board approved the following resolution:

A RESOLUTION TO SUPPORT THE CERTIFICATION OF THE HEART OF NC MEGAPARK/INTERSTATE HIGHWAY 73/74 TO SUPPORT ECONOMIC GROWTH AND OPPORTUNITY

WHEREAS, declines in rural traditional manufacturing have led to an increase in North Carolina's unemployment rate; and

WHEREAS, the County of Montgomery, North Carolina has documented the loss of 1,049 manufacturing jobs as a result of business closings and permanent layoffs creating a current unemployment rate of 10.1 percent; and

WHEREAS, the Town of Biscoe has worked to promote economic growth by designing and implementing polices to assist with job creation; and

WHEREAS, the constitution of the United States was established and ordained in order to promote the general welfare and secure the blessings of liberty to ourselves and our posterity; and

WHEREAS, the Town of Biscoe, with grant assistance of the Golden Leaf Foundation, has invested significant resources to providing sewer service to the site; and

WHEREAS, the Town of Biscoe has seen the value of sites being listed with the Department of Commerce Site Certification Program; and

NOW, THEREFORE BE IT RESOLVED, that the Town of Biscoe Board of Commissioners, in support of the certification of the Heart of NC Mega Park/Interstate Highway 73/74 and would like to see it added to the statewide inventory of industrial sites.

Adopted this 8TH day of April 2013.

Mayor Michael Criscoe

ATTEST:

Town Clerk Laura B. Morton

O2 Energy

Mrs. Cagle said that the new company O2 Energy (solar power company) would be holding a Job Fair at Montgomery Community College on April 9.

Request for Sewer

A motion was made by Commissioner Beard, Seconded by Mayor Pro-tem Smith, and so the motion carried unanimously to allow Mr. Henry Cagle to purchase a sewer tap for his property adjacent to the new line being installed. The Town is placing this line within an existing easement. This motion was made contingent upon Mr. Cagle being responsible for paying all costs associated with this sewer service.

Scheduling of Budget Workshops

Town Manager Brooks Lockhart requested that the Board schedule 2-3 budget workshop dates to take place in the month of May. He said the Board would have one stand-alone session with the County Manager to discuss the water purchase rate increases. A motion was made by Mayor Pro-tem Smith, seconded by Commissioner Anderson, and so the motion carried unanimously to schedule Budget Workshops for The Board agreed on April 29th (with the County Manager), May 6th, and May 20th all to begin at 7:00 p.m.

Project Updates

Sewer to the Megapark

This project has encountered some rain delays but is still progressing at an aggressive rate. Pipe is being installed along Hunsucker Road. Bob Froneburger updated the Board on the progress of this project with the above presentation.

Dash and Splash

The next meeting for this event will take place on either Monday, April 15 or 16 at 7:30pm. It would be ideal to get more participation from the board in carrying out this event. We are hoping to make this event pull in the entire community and we will be featuring amusements and live music. Mayor Criscoe said that the committee is waiting on more funding.

Voluntary Annexations: Martin Street

Staff is scheduling, with the assistance of Tommy Butler, an informational meeting to discuss the impacts of this voluntary annexation proposal with the residents of Martin Street and Lurie Drive. At this meeting we will gather signatures for the voluntary petition. We anticipate holding this meeting in mid to late April.

Economic Development Incentive Policy Update

Mr. Lockhart said that he had received a draft copy of the Amended Economic Development Plan in an email from County Manager Matt Woodard. He asked the Board if they wanted to review the proposed changes, to let him know.

Design and Development Workshop

The meetings will take place on May 2nd and May 3rd. More details will be sent out to the board. We need to promote the public workshop heavily in the community

Public Forum

No one spoke during the public forum.

Adjournment

There being no further business to bring before the Board, Commissioner Beard made the motion to adjourn, and Commissioner Cagle made the second. All voted in favor. Meeting adjourned at 8:30 p.m.

Mayor

Deputy Clerk

Proclamation for 2013 Lyme disease Awareness Month

Whereas, infected ticks carrying the bacteria, *Borrelia burgdorferi* which causes Lyme disease, continue to spread throughout North Carolina as the counties of Guilford, Haywood and Wake are now classified as "endemic" for Lyme disease; and

Whereas, the total numbers of both suspected and confirmed Lyme disease cases reported to our state health department continues to rise each year with over 1300 case events reported in 2012; and

Whereas, ticks commonly found in North Carolina have been known to transmit Lyme disease, Rocky Mountain Spotted Fever, Ehrlichiosis, STARI, Babesiosis and Anaplosmosis to residents; and

Whereas, the North Carolina Division of Public Health encourages physicians and health care providers to consider the diagnosis of Lyme disease in patients who present the symptoms of infection, even if the patient has no travel history outside of North Carolina; and

Whereas, Lyme disease is difficult to diagnoses because it imitates other illnesses and no reliable laboratory test can prove who is either infected or bacterial-free, which often leads to under-diagnosis or misdiagnosis; and

Whereas, early indicators of infection include: "bullseye" looking rash with flu-like symptoms, characterized by chills, headache, fatigue, muscle and joint aches and swollen lymph nodes; and

Whereas, weeks or months later, patients with untreated or under-treated Lyme disease can suffer from permanent and sometimes life-threatening damage to the brain, joints, heart, eyes, liver, spleen blood vessels and kidneys. For this reason it is imperative that all who may be exposed to Lyme disease receive immediate treatment; and

Whereas, the best solution to reduce the risk of contracting Lyme disease is awareness and public education about the seriousness of this illness and the need for our residents, especially children, to practice personal preventive techniques when engaging in outdoor activities - such as frequent tick checks, use of tick repellent and proper tick removal; and

Whereas, the warm summer months are considered the most active time for ticks and when the majority of residents are exposed to ticks during outdoor activities. Therefore it is important that residents are aware of the potential for acquiring Lyme disease in our town and the preventive measures they can take to minimize the risk of infection.

Therefore, I Mike Criscoe Mayor, hereby proclaim May as Lyme disease awareness month for The Town of Biscoe

3. NC WILDLIFE REPORT ON TOWN-OWNED 229 ACRES

KACY COOK, LAND CONSERVATION BIOLOGIST, FROM NC WILDLIFE RESOURCE COMMISSION WILL BE ON HAND TO DISCUSS A SURVEY OF THE TOWN PROPERTY CONDUCTED IN MARCH 2010. THE REPORT AND MAP ARE ATTACHED TO YOUR BOARD AGENDA EMAIL.

4. REQUEST FOR ALLOWING BENCHES IN THE NEW SECTION OF THE CEMETERY

THIS IS FOLLOWING UP ON THE LETTER WE RECEIVED 4/19.

THE MAIN CONCERN EXPRESSED IN THE LETTER WAS THE DESIRE TO PLACE A BENCH WITHIN THE NEW SECTION OF THE CEMETERY. THE RESTRICTION ON THAT SECTION WAS PUT INTO PLACE PRIOR TO THE SELL OF ANY PLOTS IN THAT SECTION; THIS WAS APPROVED IN 2010.

5. REQUEST FOR SEWER SERVICES

A REQUEST HAS BEEN MADE FOR SEWER SERVICES AT BISCOE PHARMACY, WHICH IS LOCATED AT 2295 NC HIGHWAY 24/27 EAST. THIS REQUEST IS BEING MADE BY HAROLD VAN DERVEER. THIS IS BUSINESS IS LOCATED OUTSIDE OF CITY LIMITS.

6. HOMETOWN VETERANS MEMORIAL

AS DISCUSSED AT OUR LAST BUDGET MEETING, THE VETERANS MEMORIAL DEDICATION IS PLANNED FOR MAY 25TH. THE DEDICATION WILL BE PHASE ONE OF THE MEMORIAL. NAMES WILL NOT BE INCLUDED AT THIS TIME AND PLANS WILL NEED TO BE MADE IN THE FUTURE FOR A PHASE TWO FOR THIS PROJECT.

PLEASE COME PREPARED TO DISCUSS THE LOCATION FOR PLACEMENT OF THE MEMORIAL. MAYOR CRISCOE HAS SENT SOME INFORMATION VIA EMAIL FOR YOUR REVIEW.

7. PROJECT UPDATES

SEWER TO THE MEGAPARK

THE PROJECT ENCOUNTERED 8 DAYS OF RAIN DELAY IN APRIL BUT IS STILL PROGRESSING AT AN AGGRESSIVE RATE. CURRENTLY, GRAVITY LINES ARE BEING INSTALLED NEAR MARTIN STREET AND SOON WILL BE COMPLETED TO THE TREATMENT PLANT.

IN LATE MAY OR EARLY JUNE, WEATHER DEPENDENT, THERE WILL BE A BORE PIT IN AILEEN AVENUE, TO ALLOW CROSSING OF OLD US HIGHWAY 220. THIS BORE PIT WILL MEAN A DIFFERENT TRAFFIC PATTERN, WHICH WILL BE IN AFFECT UNTIL COMPLETION. AS A FIRM DATE APPROACHES, WE WILL BE NOTIFYING THE BOARD VIA EMAIL.

DASH AND SPLASH

THE NEXT MEETING FOR THIS EVENT IS **MAY 14, AT 7:00PM**. WE ARE HOPING TO MAKE THIS EVENT PULL IN THE ENTIRE COMMUNITY AND WE WILL BE FEATURING AMUSEMENTS AND LIVE MUSIC. PLEASE COME TO THIS FINAL MEETING TO SHOW YOUR SUPPORT AND LEND A HAND IN MAKING THIS EVENT A SUCCESS.

VOLUNTARY ANNEXATIONS: MARTIN STREET

STAFF HAS HELD, WITH THE ASSISTANCE OF TOMMY BUTLER, A MEETING TO DISCUSS THE IMPACTS OF THIS VOLUNTARY ANNEXATION PROPOSAL WITH THE RESIDENTS OF MARTIN STREET AND LURIE DRIVE. THIS MEETING WAS PRIMARILY ATTENDED BY RESIDENTS OF LURIE DRIVE. AT THE MEETING WE GATHERED ALMOST ALL THE SIGNATURES FOR RESIDENTS OF LURIE DRIVE. WE ARE NOW WORKING, WITH THE ASSISTANCE OF TOMMY BUTLER, ON GETTING THE SIGNATURES FOR MARTIN STREET.

DESIGN AND DEVELOPMENT WORKSHOP

THIS EVENT WAS A GREAT SUCCESS. IT WOULD BE GREAT IF SOME OF THE COMMISSIONERS THAT ATTENDED COULD SHARE THEIR THOUGHTS.

THE BY-PRODUCT OF THIS WORKSHOP WILL BE TO PRESENTED THE BOARD AT THE JUNE 10TH MEETING.

SCHEDULING AN ADDITIONAL BUDGET WORKSHOP

AS NOTED AT OUR LAST BUDGET MEETING, OUR 2012 CWMTF GRANT APPLICATION HAS RECEIVED PROVISIONAL STATUS. THIS MEANS THAT OUR GRANT WAS SELECTED FOR PARTIAL FUNDING. WE NEED TO MAKE A DECISION ON ACCEPTING FUNDING PRIOR TO THE CLOSE OF THE FISCAL YEAR.

WE HAVE SELECTED TO MEET ON MAY 31 AT 7PM. THIS WOULD ALSO BE AN IDEAL TIME TO HOLD ANOTHER BUDGET WORKSHOP, IF NEEDED. WE NEED A MOTION TO SCHEDULE A SPECIAL MEETING FOR MAY 31 FOR THE PURPOSE OF DISCUSSING THE GRANT AND BUDGET MATTERS.

INCENTIVES FOR TWO COMPANIES

AT OUR JUNE MEETING WE WILL BE HOLDING A PUBLIC HEARING TO CONSIDER THE GRANTING OF INCENTIVES FOR THE JOBS ANNOUNCED AT JORDAN LUMBER AND A POTENTIAL INDUSTRY BEING REFERENCED AS SKYFALL (SERIOUSLY). THE STATE INCENTIVES FOR THE JORDAN JOBS ANNOUNCEMENT ARE CONTINGENT ON LOCAL MATCH. THIS MATCH WILL BE ACCORDING TO OUR EXISTING ECONOMIC DEVELOPMENT POLICY. THESE HEARINGS REQUIRE PUBLICATION OF PUBLIC NOTICES.

IN THE CASE OF JORDAN LUMBER:

\$1.4MILLION CAP INVESTMENT + 31 NEW JOBS AT A RATE OF 50%:
 $1,405,000 / 100 \times .56 = \7868 TAXES PAID TO BISCOE
x 5 YEARS = \$39,340
x .50 INCENTIVE = \$19,670 (TOTAL FOR 5 YEARS)
\$3,934 ANNUALLY FOR 5 YEARS.

IN THE CASE OF SKYFALL:

\$6 MIL CAP INVESTMENT + 40 JOBS AT A RATE OF 55%:
 $6,000,000 / 100 = 60,000 \times .56 = \$33,600$ TAXES PAID TO BISCOE
x 5 YEARS = \$168,000
x .55 INCENTIVE = \$92,400 (TOTAL FOR 5 YEARS)
\$18,480 ANNUALLY FOR 5 YEARS

ECONOMIC DEVELOPMENT INCENTIVE POLICY UPDATE

THE COUNTY HAS APPROVED THEIR NEW ECONOMIC DEVELOPMENT POLICY. WE WILL HOLD A PUBLIC HEARING IN JUNE TO CONSIDER ADOPTING THE SAME POLICY FOR THE TOWN.

THE COUNTY'S NEW POLICY IS ATTACHED.

Montgomery County Economic Development Incentive Policy

In accordance with the authority provided by North Carolina General Statute 158-7.1, the Montgomery County Board of Commissioners considers it beneficial to incentivize economic development that results from job creation and capital investment by new and existing businesses. The objective of this policy is to encourage job creation and expansion of the ad valorem tax base. In arriving at the amount of incentives a project receives, the Board may consider the expected increase in the ad valorem tax base, prospective increase in sales tax receipts and the economic contribution of additional wages to the local economy. For all projects, the Board must consider the viability and sustainability of the project and the extent to which providing incentives will serve the public purpose. In all cases covered herein, the Board must determine that the business location, retention or expansion would not occur but for the incentives.

All appropriations and expenditures pursuant to this policy shall be subject to the provisions of the Local Government Budget and Fiscal Control Acts of North Carolina General Statutes for counties and shall be listed in the annual financial report the county submits to the Local Government Commission. At the end of each fiscal year, the total expenditure for economic development incentives may not exceed one-half of one percent (0.5%) of the outstanding assessed property tax valuation for the county as of January 1 preceding the beginning of the fiscal year. Any appropriation or expenditure pursuant to this policy must be approved by the Board of Commissioners after a public hearing. The county shall publish notice of the public hearing at least ten days before the hearing is held.

The guidelines herein are not binding and may be modified by the Board of Commissioners in evaluating individual projects.

New or existing businesses may qualify to receive a financial incentive grant based on the actual value, schedule and payment of ad valorem taxes paid for a period up to five tax years. The tax year is the calendar year. Businesses that do not pay ad valorem taxes will not qualify for any Montgomery County financial incentive program under this policy.

The Board of Commissioners considers that capital investment in real and business personal property and the creation of qualifying jobs will benefit the county through increasing the population, taxable property, agricultural or manufacturing industries or business prospects of the county. The Board will consider whether the project meets the public purpose test of providing jobs for displaced workers, attracting better paying and more highly skilled jobs, enlarging the tax base and diversifying the economy, and whether failure to provide incentives may result in the business choosing another location. Therefore, these guidelines may be applicable to a broad spectrum of businesses, regardless of the North American Industrial Classification System (NAICS) code; including, but not limited to, industrial, agricultural, commercial and energy production.

A business may be eligible for incentives under one or more of the following circumstances:

1. Capital investment accompanied by creation of qualifying jobs.
2. Creation of qualifying jobs without capital investment.
3. A partnership between a landlord and tenant business where the landlord provides new capital investment in real property and the tenant provides accompanying qualifying jobs.

4. A partnership between a landlord and a new tenant who creates jobs in a building that has been unoccupied for twelve months or more.

These guidelines are not binding on the county, but may be used as the basis for a contract between the business and the county or the business, landlord and county, which, when executed, will be binding on all parties. Such contract shall clearly state the respective responsibilities of the county and the party/parties being incentivized, including provisions regarding remedies for a breach of responsibilities on the part of any participating party.

The Montgomery County Economic Development Corporation, in close cooperation with county staff, shall act as the agent for the county in developing incentive agreements recommended for approval by the Board of Commissioners. A cost-benefit analysis will accompany each recommendation.

When a business wishes to apply for incentives, a baseline will be established for the ad valorem tax value of the applicant's applicable real and business personal property and the base employment level. These values will be obtained from the Montgomery County Tax Office and the North Carolina Department of Commerce. The base figures will be established for an agreed upon effective date in the base year of the agreement. Incentive awards will then be calculated on each anniversary of the effective date. When an existing business is retained or expanded through its purchase by a new owner, incentive eligibility for additional jobs or capital investment may be based on the ad valorem tax values of real and business personal property and the employment level existing at the selling company at the time of sale.

In all cases, the county will require the business to pay in full annually total ad valorem taxes due. If the business has met specific criteria as outlined in the formal agreement, an economic development incentive grant, based on a percentage of ad valorem taxes paid, will be paid to the business. No incentives will be paid unless the business is ongoing and progressing toward accomplishment of its investment and employment goals.

The amount of the incentive grant will be computed each year by comparing the company's ad valorem tax valuation to the base valuation; and comparing the number of qualifying jobs that have been in place for at least one year with the base employment level. The amount and period of the incentive grant will be based on actual values achieved and actual taxes paid in full.

Capital Investment with Job Creation:

The amount of capital investment shall be calculated as the net increase in the tax valuation of property. For companies purchasing buildings that have been vacant for one or more years, the incentive for capital investment may consider the entire ad valorem tax valuation of the property or the actual purchase price, whichever is less, as new investment.

Grants will be paid for a five year period. The minimum threshold for new capital investment with job creation is \$100,000 with one job, which would qualify for an incentive grant equal to 25% of the ad valorem taxes paid on new investment. The incentive grant will be pro-rated up to a maximum equal to 80% of the ad valorem taxes paid for an investment of \$10,000,000 or more and 100 or more new jobs created.

Number of New Jobs Created			
New Investment	1-5	6-24	25 to 100 or More
\$100,000 of More	25%	26% to 49%	50% to 80%

For example, a new investment of \$2M with 30 jobs created would receive an incentive grant equal to 52% of the ad valorem taxes paid on the \$2M each year for a period of five years, assuming the additional jobs are maintained.

Job Creation with No New Capital Investment:

The threshold for receiving incentives for job creation is one net additional qualifying job located in Montgomery County that remains in place for a minimum of one year (twelve month period). A qualifying job is one that is full time with a salary equal to or greater than the average wage for comparable positions in the county as reported by the North Carolina Department of Commerce, and with benefits that include the payment by the employer of at least 50% of medical insurance for the employee. The grant for job creation will be limited to \$1,000 per job or the following designated percentage of the ad valorem taxes paid, whichever is less.

Number of Net New Jobs	Percentage of Tax as Grant	Number of Years Paid
1 to 5	10% to 19%	3
6 to 10	20% to 29%	4
11 to 25	30 % to 39%	5
26 or more	40%	5

Note: The number of jobs is computed each year and compared with the base year to determine the amount of incentive due, and the period for which it will be paid. The percentage of tax as a grant will be prorated based on the number of jobs created. For example, should a company be credited with a net increase of 20 jobs over the base employment level in any given year, the incentive would be 36% of the ad valorem taxes paid for that year, or \$20,000, whichever is less, and for a period of up to five years.

Landlord/Tenant Partnerships:

- a. Should a landlord construct a building or make capital improvements to a building that enables a tenant to add jobs, the landlord and tenant may enter into an agreement for sharing economic development incentives based on the total ad valorem taxes paid for newly invested capital by both the landlord and tenant and the number of jobs created by the tenant. For example, should a landlord erect an addition or make improvements to a tenant occupied building for a capital investment of one million dollars that results in the tenant creating an additional 10 jobs, an incentive grant equal to 31% of the additional ad valorem taxes paid would be shared for a period of five years by the partnership. The grant could be higher if either party also invests in additional business personal property.
- b. In the case of a new business leasing a landlord owned building that has been vacant for a period of twelve months or more, the incentive grant to the landlord/tenant partnership may consider the total assessed value of the building.

9. PUBLIC FORUM

10. ADJOURNMENT