

**MINUTES OF A
WORK SESSION
OF THE JACKSON COUNTY
BOARD OF COMMISSIONERS
HELD ON
FEBRUARY 08, 2022**

The Jackson County Board of Commissioners met in a Work Session on February 08, 2022, 1:00 p.m., Justice and Administration Building, Room A201, 401 Grindstaff Cove Road, Sylva, North Carolina.

Present: Brian McMahan, Chairman
Boyce Deitz, Vice Chair
Mark Jones, Commissioner
Tom Stribling, Commissioner (Via Zoom)
Gayle Woody, Commissioner

Don Adams, County Manager
Heather C. Baker, County Attorney
Angela M. Winchester, Clerk to the Board

Chairman McMahan called the meeting to order.

(1) TOURISM CAPITAL PROJECT FUND: Nick Breedlove, Tourism Development Executive Director, presented: Tourism Capital Project Fund:

(a) What were Capital Projects: Bricks and mortar capital projects included:

- Convention and conference centers
- Arenas and stadiums
- Sports facilities
- Performing arts venues
- Museums and other attractions
- Parks, greenways, trails
- Other place-making initiatives, such as streetscapes and public art
- Visitor centers
- Wayfinding

(b) Why fund Capital Projects:

- Community benefit: Visitors came to the county and spent money, but they wanted to reinvest those funds to benefit not only visitors, but also the residents. They wanted this to be something for residents to enjoy as well.
- Quality of life
- Economic impact
- Place-making
- Increase demand for accommodations
- Increase local spending
- Visitor satisfaction

(c) County legislation: The authorization to expend up to 1/3 of JCTDA funds on tourism capital projects comes from the N.C. General Assembly Session 2011, Session Law 2011-170 House Bill 96 and the relevant statute follows: SECTION 2.2(d) Distribution and Use of Tax Revenue. Jackson County shall, on a quarterly basis, remit the net proceeds of the occupancy tax levied under this Part to the Jackson County Tourism Development Authority. The Authority shall use at least two-thirds of the funds remitted to it under this subsection to promote travel and tourism in Jackson County and shall use the remainder for tourism-related expenditures. The JCTDA must invest at least 2/3 of tax revenue to promote travel and tourism, and up to 1/3 can be invested in tourism-related expenditures.

A tourism-related expenditure was, in the judgment of the JCTDA, designed to increase the use of lodging facilities, meeting facilities, or convention facilities in the county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.

(d) TCPF Application:

- They started developing an application for Capital Projects in 2020 with Staff Research as to industry best practices in other destinations.
- The JCTDA's Product and Experience Development Committee and Visitor Experience Committee reviewed the draft application and made recommendations.
- The JCTDA engaged Magellan Strategy Group's Chris Cavanaugh to review its application and the JCTDA implemented all recommendations.
- The application was then reviewed by County Legal and Finance.
- This year they were recommending one funding cycle and in future years two funding cycles.

(e) Highlights:

- Available for projects that were publicly owned/operated or owned/operated by nonprofits.
- Required a 1:1 match
- Eligible projects:
 - New construction, expansion, renovation, or a replacement project for an existing facility or facilities. The project must have a total cost of at least \$25,000 over the life of the project and a useful life of at least 10 years.
 - A purchase of major equipment (assets) costing \$25,000 or more with a useful life of at least 10 years.
 - A major maintenance or rehabilitation project for existing facilities with a cost of \$25,000 or more and a useful life of at least 10 years.

(f) Who Selects projects: The application would be reviewed by the TCPF Selection Committee to ensure its completeness. This committee would make recommendations to the JCTDA Board. The selection committee consisted of:

- Accommodations Operator
- Food and/or Beverage Operator
- At-Large Industry Representative
- Chamber of Commerce Representative
- Arts and Cultural Representative
- Community Representative
- JCTDA Board Chairman
- County Commissioner

The JCTDA full Board would review the application and the Selection Committee's recommendations and make a determination as to whether the application should proceed to the County Commissioners. The County Commissioners would then review the JCTDA's recommendation for funding and vote to approve funding on a project. A funding agreement would be executed and the project could begin.

(g) Tentative Schedule for 2022:

- 06-01-22 Pre-submittal Conference
- 08-01-22 Due to TCPF Selection Committee
- 08-03-22 TCPF Selection Committee Meeting
- 08-18-22 JCTDA full Board Meeting
- 9-13-22 Board of Commissioners work session
- 9-20-22 Board of Commissioners regular meeting
- 10-20-22 Funding Agreement executed

(h) TCPF Application:

- Adheres to Industry Best Practices
- Complies with state and local tax legislation
- Manages risk and legal concerns
- Ensures highest and best use of tax dollars
- Process provides clarity, efficiency and accountability

(i) Funding: This fiscal year, they allocated \$500,000 for capital projects. Future FY allocations would depend on forecasted occupancy tax receipts. The application would be live at: www.JacksonCountyTDA.com in the coming month.

Commissioner Jones asked if he had projections for the next year's two allocation amounts?

Mr. Breedlove stated that they did not. When they came up with the \$500,000 allocation, they budgeted conservatively for Room Occupancy Tax for the next seven months. They expected they would surpass that and go into the next fiscal year with a surplus. If there was money left over from this fiscal year, they would roll it over to the next fiscal year.

Commissioner Woody stated that he mentioned Greenways. Could the county apply for funds to expand or enhance the Greenway?

Mr. Breedlove stated that the appropriate county department could complete an application.

Chairman McMahan stated that he appreciated Mr. Breedlove's comments about funding for tourism development and that it was not just targeted for tourists. When the county funded TDA projects and invested money in tourism, they were also investing in the local economy and they were investing in things that local people could enjoy. He looked at this as an economic piece as they were encouraging businesses to grow and money to go back into the local economy for construction needs. This was a win for everyone.

Informational item.

(2) UNIFIED DEVELOPMENT ORDINANCE AMENDMENTS: Michael Poston Planning Director stated that he had talked with the Board, over the past few months, about these Unified Development Ordinance (UDO) amendments in conjunction with the 160D Amendments they completed in November. They had been working with the Planning Board to shift some responsibilities to the Planning Board and some of these amendments were part of that shift.

They had also talked about the Cashiers Planning Council and the work they had been doing with planning in the community. The Urban Land Institute would be coming in at the end of the month to talk with them and share their expertise about growth and development. They realized there were some existing development pressures in the area they thought they could address in smaller ways, which was what some of the amendments would do. They had broad based community support for the amendments to make the process better and clarified.

(a) Cashiers Ordinance Amendments:

- Define the application process with a more robust description of what information was expected to evaluate a project.
- Before a completed application for a special use permit could be submitted to the Planning Department, they had to hold a community meeting.
- Topography was clarified to require ten-foot contour intervals.
- The threshold for building size, before a special use permit was required, was amended to 4,000 SF maximum in the Village Commercial District and 6,000 SF in the General Commercial District.
- Created a Floor Area Ratio amount of gross floor area in relationship to the land area, which stated that for every square foot of land area, 1.5 SF of building space was allowed.
- Prohibited Uses: Updated to add prohibited uses to the table, which would be ongoing.

- Transportation Impact Analysis requirements would set a threshold to require a developer to prepare a Transportation Impact Analysis and cooperate with DOT for larger projects.
- The tiered system for stormwater would be removed. A development with any amount of impervious surface would have to comply with the Stormwater Standards.
- Multiple buildings that exceeding the stated threshold would require a special use application (i.e. two buildings that were 2,000 SF in the Village of Cashiers District) would trigger a Special Use Permit application. No Special Use permits for single-family homes.

(b) Subdivision Ordinance Amendments:

- Created a tiered review process for Major Subdivisions:
 - Allow County Staff to approve subdivisions of 9-100 lots.
 - Threshold of 100 lots required additional standards from DOT.
 - Eliminated the number of bedroom requirement.
 - Definitions and Procedures modified to reflect the new process.

He noted that if there was a disagreement between the developer and staff, there would be an appeal process that would go to the Planning Board to be adjudicated.

(c) Multi-Family Housing Regulation Amendments:

- Required for all multi-family developments located outside a regulated district.
- Created Parking Standards of 1.75 per dwelling.
- Required Open Space Standards.
- Created Setback Standard from adjacent property lines.
- Created Landscaping Buffering Requirements.
- Stormwater Regulations.
- Minimal Architectural Standards.
- Density was regulated by the Mountain and Hillside Development Standards.
- Watershed Standards would also apply where applicable.

Commissioner Jones inquired if the Cashiers Village Center, Subdivision and Multi-Family amendments had been approved by the Cashiers Council?

Mr. Poston stated that Cashiers Council reviewed the amendments, held a public hearing and approved the Cashiers amendments. The Planning Board reviewed the Cashiers amendments, but did not have a public hearing. The Planning Board did have a public hearing for the Subdivision and Multi-Family amendments. Both the Planning Board and Cashiers Council had recommended that the Commissioners consider the approval of these items.

He requested the Board to consider to call for a public hearing on March 1st at the regular meeting on February 15th.

General discussions were held.

Consensus: *Add this item to the next regular meeting agenda to consider setting a public hearing.*

(3) AMERICAN RESCUE PLAN ACT: Darlene Fox, Finance Director, was present for this item.

Mr. Adams stated that the U.S. Treasury released final ARPA rules on January 27th. The new rules contained a provision related to revenue replacement that would greatly simplify the county's ability to use the funds. The new rules would allow counties to utilize up to \$10M of the funds to replace revenues. The county's entire \$8,534,441 allocation could be utilized in this fashion. These additional revenues could be used for any local government public purpose. The new provision would greatly simplify the county's ability to utilize the funds by removing the Federal OMB Purchasing and Contract Guidelines when expending the funds. The county would still have to follow all local government purchasing and contracting North Carolina laws when expending the funds.

The county committed \$2,174,498 of the funds for a domestic violence shelter and \$1,210,451 of the funds for public safety. \$5,149,492 of the ARPA funds remained available. Since the U.S. Treasury established the ARPA final rules, the Board of Commissioners should begin establishing priorities for the remaining funds.

(a) As a reminder to the Board, ARPA's original priorities for the funds were as follows:

- To respond to the public health emergency or its negative economic impacts...
- To respond to workers performing essential work during the Covid-19 public health emergency...
- For the provision of government services to the extent of the reduction in revenue due to the Covid-19 public health emergency...
- To make the necessary investments in water, sewer or broadband infrastructure.

(b) Some ARPA conversations held early were related to responding to the negative impacts of the public health emergency. Examples included:

- Domestic violence shelter (funded)
- AWAKE facility needs
- Developing a nonprofit application for those who perform human service functions

(c) Other concepts that had been discussed:

- Building of parks
- Affordable Housing
- Broadband

All of these concepts were eligible to be considered with these funds. Several of the concepts would have been extremely difficult to consider under the former interim guidance from the U.S. Treasury. The final rules allowed for concepts and/or any other local government, public purpose to be considered. He requested that the Commissioners be prepared to discuss their ARPA priorities at the February 22nd budget retreat.

Ms. Fox stated that she planned to prepare a budget amendment for the monies they had already set aside and move them from the Special Revenue Fund to the General Fund. She would then set up a budget for wages that they would use all of the ARPA monies for. This would then free up the money in the General Fund that was already budgeted. They could budget that without the federal restrictions. She would set up a special fund, which would be a part of the General Fund. They would be together in the audit, but would continue to be by itself until they finished the funding cycles over the next four years.

Commissioner Woody stated that she appreciated all of the information. Having returned from the State Board of Directors for the North Carolina Association of County Commissioners, this was a huge topic. There were 43 counties out of 100 that had \$10M or less, so it was a good piece of the state that would come under this. There was a lot of discussion and it was recommended to follow the procedure that Mr. Adams mentioned.

General discussions were held.

Informational item.

(4) BOND ATTORNEY ENGAGEMENT LETTER: Mr. Adams presented a Bond Attorney Engagement Letter from Sanford Holshouser, the Bond Attorney for the Indoor Pool Project. The scope of work included that the Bond Counsel would prepare the appropriate financing documents and coordinate the financing process with the county and the other participants, including the bond purchaser, the LGC and the county's financial adviser. Also, this would include a legal opinion, which was a requirement for Bond Counsel to review and provide a legal opinion on the documents. The proposed cost of \$30,000 was in anticipation of the county having a financial adviser.

Consensus: *Add this item to the next regular meeting agenda for consideration.*

(5) FINANCIAL CONSULTANT ENGAGEMENT LETTER: Mr. Adams presented a Financial Consultant Engagement Letter from Davenport Public Finance. Some of the items in the scope of services included to prepare a detailed financing calendar, coordinate the due diligence and issuance process with the LGC in cooperation with county staff, the LGC and the county's Bond Counsel. Also, assist in reviewing the necessary documentation, coordinate all aspects of rating agency interactions and assist in preparing for and conducting the public sale of securities.

They researched the firm and received high recommendations from multiple counties, the Bond Counsel and LGC. The proposed cost was \$65,000. They had budgeted a total \$250,000 for closing costs. The next major cost would be when they sold the bonds. The Rating Agency cost would be approximately \$100,000.

Consensus: *Add this item to the next regular meeting agenda for consideration.*

(6) DOMESTIC VIOLENCE SHELTER ARCHITECT SELECTION: Mr. Adams requested to carry this item over.

Carry over.

(7) VOLUNTEER FIRE DEPARTMENT AND RESCUE SQUAD EQUIPMENT MATCH: Mr. Adams provided an excerpt of the Minutes from a work session on May 11, 2021. The minutes stated that on April 26th, county staff met with five fire chiefs and Mr. Adams brought back several items to the Board from those discussions. One item discussed was the need of personal protective equipment. It was requested that the Commissioners consider assisting with these needs. It was requested that the county be prepared to expend \$50,000 per department (\$250,000) to match other funding sources (grants, donations, Town of Sylva) to go towards the purchases of personal protective equipment. This would be an allocation from the county's fund balance.

At that time, they did not know what the maximum grant amounts would be. The amount of \$250,000 included four fire departments and the rescue squads. The idea was that this would initially be a one-time expense. At that time, Commissioner Jones asked if the \$250,000 had been set aside for matching grants? Mr. Adams stated that because of the timing, it would take some time for the fire departments to find out what other funding sources were available. All of the fire chiefs agreed, if there were other funding sources, they would attempt to go with them. At that point, instead of setting the funds aside, the county did have a good fund balance and the Board could go ahead and set this as something they intended to do. When the fire departments were in a place to come make their requests, it would then just be a fund balance allocation.

Mr. Adams stated that at that point, the fire chiefs had met and there were state grant opportunities fairly soon.

Chairman McMahan stated that his conversation with Mr. Adams was to follow up on the conversation the Board had last May regarding if the county was willing to provide the match to the state grant for the PPE upgrades. There was a tremendous need for the replacement of the bottles for the air packs. .

Most departments in the county received the AFG Grant through Homeland Security several years ago. Those dollars were no longer available, which put departments in the position to try and come up with \$40,000-\$50,000 to replace the bottles that had aged out. There was a federal requirement that the bottles had to be replaced every 15 years. The new replacement bottles would be good for 30 years.

They Board needed to revisit this issue and make sure they were still committed to helping match those grant requests because the grants needed to be submitted to the state by March 1st. The Board had a meeting scheduled on March 11th for the fire departments to bring the numbers to the Board of how much they applied for and what the match would be. This would allow the county to prepare for next year's budget to make sure the appropriate funds were allocated to provide the match.

In fairness to the departments, it would be appropriate for the county sent a letter stating they intended to help match, so that when the departments submitted the applications, they would do so knowing they would receive assistance in the next budget year. It would help the departments make a decision about how much they could financially afford.

Mr. Adams stated that the entire budget would be \$60,000, with \$30,000 coming from the state, which was the maximum total budget amount that could be submitted.

General discussions were held.

Chairman McMahan asked if anyone objected.

Commissioner Jones stated he thought they should tell the fire departments to move forward.

Commissioner Woody stated she felt the same way. This was one of the services they provided to the communities and there was a fire station in each community. They were covering the entire county and that was really important.

Commissioner Stribling stated that he agreed.

Chairman McMahan stated the deadline to submit the grant request was March 1st. The state would review the grants, which would be only for a list of eligible items. The state would then make an announcement of awards on May 15th. Then, if the departments receive approval, they could move forward with the purchase of the equipment. They would have to turn in the receipts to the state by September to show they used the funds for the intended purpose.

Informational item.

(8) OTHER BUSINESS:

(a) Commissioner Woody read an email that she received from Bernadette Peters, Main Street Economic Development Director, to the Commissioners:

“The Main Street Sylva Association and Board wishes to express gratitude to Jackson County for helping make Sylva a beautiful, and economically healthy town. With a large tourism economy and relatively small population and tax base, we could not have such a vibrant town without partners like you. Just a few shout-outs to your team:

- *We are so appreciative of Randy Cabe and his team for so many reasons, but most recently for rebuilding the greenhouses that were removed at Green Energy Park. We rely heavily on the Sylva Garden Club to plant and maintain our planters throughout downtown. Randy’s team has graciously supplied many of those plants to them. We were scrambling to figure out a strategy, and Jackson County came through for us.*
- *Mike Poston and his Planning Department team have also been invaluable to the Main Street Sylva Association and town. Mike is our MSSA board president and has served on the board and Economic Vitality Committee for several years. His input and hard work are invaluable to the success of our downtown district.*
- *Our partnership with the Parks & Recreation Department and Rusty Ellis has been essential to our main street program’s success. Rusty’s involvement on the board and Economic Vitality committee, in addition to our collaboration on events and programs, like Concerts on the Creek, has allowed us to have a much more robust offering downtown.*
- *Tiffany Henry in Economic Development has been a great resource and tackles the big initiatives that we would not have the bandwidth to do. She continues to be an invaluable resource to the MSSA.*
- *Other indispensable partners that we work with on a regular basis who have contributed significantly to our success are:*
 - *Nick Breedlove with the Jackson County Tourism Authority*
 - *Julie and Kelly Donaldson with the Jackson County Chamber of Commerce*

- *Southwestern Commission – Russ Harris, Director, David Garret, Workforce Development, Linda Lamp, Business Services and many others*
- *WCU – specifically Sandra Dennison, SBTDC, Wendy Cagle, College of Business, Teresa Cruz Paul in the Center for Career and Professional Development, Rich Price, Economic Development and Regional Partnerships, among many others*
- *SCC – specifically Marne Harris with the Small Business Center, Mike Despeaux in Career Services and several others*
- *And the amazing organizations that make a significant impact on Sylva like the Sylva Garden Club, Jackson County Public Schools, WATR, Jackson County Farmer’s Market, Jackson County Arts Council and many more that I may have missed, but value so much as we work together.*

Thank you again for all you do in making Jackson County amazing, and contributing to Sylva’s growth and continued improvement.”

Informational item.

(b) Chairman McMahan stated that he and Commissioner Woody had a lunch meeting and one of the items they discussed was that it was time for the Board to relook at their long range capital projects list. The Board put together a major capital projects list as they planned and looked ahead at the future needs of the county.

He and Commissioner Woody discussed including another category of minor projects. In light of the American Rescue Plan monies and the CARES Act, they had seen several opportunities from the federal government over the last two years. Funding had been made available and passed down through state governments, which put the state in the position to fund shovel ready projects.

Recently, several neighboring counties received funding that became available in the state budget, so they benefited from being ready to present ideas. After the Board developed a list, they could invite their state delegation to sit down with them and discuss their needs from a state level. Then, if funds became available and state delegation looked for ways to spend those funds in their district, they could provide them with great opportunities to help the people of the county. He thought they could work on this over the course of the budget season.

Commissioner Woody stated that Lynda Sossamon, Town of Sylva Mayor, mentioned to her that the Town of Sylva had an opportunity for \$3M. The Speaker of the House talked with Representative Mike Clampitt and let him know they had some money for a project with a one-day turnaround. Representative Clampitt called Mayor Sossamon and they were getting \$3M to do the project on Allen Street. Fortunately, they had all in order, sent it in and got funded in one day. This was what lead her to think in terms of what Chairman McMahan stated.

Chairman McMahan requested that Mr. Adams expand on what they had done in the past to add minor projects. He knew they already had several they could add to the list. He may want to ask departments, as they put goals together if they had a wish list that could enhance services or the community, if funding was available.

Informational item.

(c) Chairman McMahan stated that he wanted to speak to the Board as a private citizen, not as the Chairman. He shared the GIS map of a property he acquired approximately one year ago at the end of Willets Road. This property contained the Love Cemetery, which was the main reason he purchased the property. The cemetery was one of the oldest in the county and he had generations of family buried there.

One of the problems they were having was a barricade along a section of the state road was removed. This allowed people to go to the dead end area. When the state replaced the Jake Parris Bridge a few years ago, they needed to have access past the barricade for the bridge replacement. They took the barricade down, but did not put it back. There was a constant flow of traffic to the dead end area where drug deals were happening and people were dumping trash and brush.

He approached the state about putting the barricade back, but Wanda Austin, Division Engineer recommended another option, which was the abandonment of the road because the state really had no need for it. The state sent an email to him detailing what the DOT suggested be abandoned. Ms. Austin had requested that Chris Lee review the issue.

Mr. Lee evaluated the request to abandon the last 0.083 miles of Willets Road (State Road 1537) and found it to be reasonable. To move forward, he would need to sign a petition, asking for it to be abandoned and the Board of Commissioners would have to vote on a resolution requesting the state to abandon the road. He prepared and signed a petition as he was the only landowner on both sides of the road.

Ms. Baker stated that the procedure would be that once DOT accepted the petition, it would then go to the Planning Department for the Planning Director to do a report. The report would be to show that no one would lose access or right-of-way. At that point, it would be presented to the Board with a resolution for approval. Once that was done, it would go back to DOT for abandonment.

Chairman McMahan stated that this would eliminate one more place people could go to do things they should not be doing. He would put up a gate, but would talk with the state to make sure the gate would be far enough so that the school bus could turn around. Also, as a member of the Board, he would recuse himself from the item.

Ms. Baker stated that there would be a conflict of interest, so Chairman McMahan would have to officially recuse himself at that time.

Chairman McMahan asked if anyone objected to moving forward.

There were no objections made.

Informational item.

There being no further business, Commissioner Deitz moved to adjourn the meeting. Commissioner Jones seconded the Motion. Motion carried and the meeting adjourned at 2:57 p.m.

Attest:

Approved:

Angela M. Winchester, Clerk to Board

Brian Thomas McMahan, Chairman