

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

130 West Innes Street • Salisbury, NC 28144
Telephone 704-216-8181 • Fax 704-216-8195

MINUTES OF THE SPECIAL MEETING OF THE ROWAN COUNTY BOARD OF COMMISSIONERS

January 23, 2023 – 3:00 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

ABSENT:

Mike Caskey, Commissioner

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

Call to Order

Chairman Edds called the meeting to order at 3:04 p.m. Chaplain Michael Taylor provided the invocation. Chairman Edds lead the Pledge of Allegiance.

Consider Approval of the Agenda

On motion of Klusman, seconded by Greene, the Board voted 4-0 to approve the agenda as presented.

West End Plaza Financing

County Manager Aaron Church explained the documents related to the West End Plaza financing. He reviewed the certified bid tabulation, showing Wharton-Smith, Incorporated Construction Group as the low bidder. The project was initially estimated to cost \$36,424,052. However, the actual project cost is \$30,509,385, equaling a savings of 16 percent.

Also included was a recommendation from the architect certifying the bid tabulation. A cost breakdown was listed as well. Mr. Church explained the aspects of the projected cost. He explained the actions the Board would need to take to approve the financing.

Mr. Church presented the financing agreement and payment schedule and explained changes since the conception of the project. A loan amount of \$28,600,000 with an interest rate of 3.57 percent will be repaid over a fifteen-year term. Mr. Church explained the interest rate and its impact on the decision to finance the loan.

Mr. Church presented the Resolution Authorizing the Execution and Delivery of an Installment Financing Contract to Finance the Renovation of a Portion of the West End Plaza Mall Owned by the County. The reason for the quick turnaround needed for these documents is that the fully executed copies need to be in place before the next Local Government Commission (LGC) meeting in early February. He detailed the required documents.

Robert Lauer, Managing Principal at ADW Architects, thanked bidders for their consideration. He presented a slide show that displayed renderings of the West End Plaza Agricultural Center after renovations. He explained the property layout, building layouts, and showed elevation renderings. There will be office space, conference rooms, and a large meeting hall. Mr. Lauer showed a plan view of the Agriculture Offices and which departments would be housed in this space. There will be green space included as well, harboring an outdoor classroom/stage area.

Chairman Edds asked if the old restaurant space will be an entrance to the mall and Mr. Lauer said the area will be updated, possibly to tenant space.

Mr. Lauer showed interior views of the renovated spaces. There are numerous conference rooms and restroom areas. Identifying signage will be located at all conference spaces. Natural materials will bring character from the exterior of the building to the inside. He showed views of the meeting hall, which can be divided into up to four quadrants.

Chairman Edds asked the capacity of meeting hall was known and Mr. Lauer said yes.

The entrance ways will bring in agricultural character to the building. Mr. Lauer showed a site plan with three of the alternates shown. There are approximately 15 alternates.

Chairman Edds again asked for seating capacities. Mr. Lauer said the meeting hall will be able to seat at approximately 1,000 people. Chairman Edds asked if soft costs include audio visual (A/V) equipment. Mr. Church said some of the alternates included A/V and some don't. There is some A/V included in soft cost. Mr. Lauer explained some of the soft costs that would include A/V equipment. Most of the A/V costs are included in the alternates.

Commissioner Klusman asked for clarification regarding electrical wiring design to accommodate future changes. Mr. Lauer said the complete facility will be rewired for the projected use, which is included in the base bid.

Commissioner Pierce asked if a feasibility study had been completed. Chairman Edds said one had been completed years ago. Commissioner Pierce said the one completed in the past is not relevant to the present. Commissioner Pierce said there are other priorities in the county; this project is not something that needs to be done right now.

Commissioner Klusman asked how long ADW Architects has worked with the County on this project. Mr. Lauer said approximately three years. Cost estimates have been shared several times.

Vice-Chairman Greene said the intent for this building was to develop it for use by the County. This has been talked about for the last eight years, and this project should move forward to get ready for County services.

Chairman Edds said there are plans for the Health Department which may affect financing decisions. Eight years ago, there was controversy over this facility. The facility will be a great benefit to the community. It was a good purchase. The County is in the position to make big financial moves. The Economic Development Corporation (EDC) has brought business to the county and the recent audit report was positive. This is a great opportunity to do something for the community. This facility will be a great asset for the agricultural community. Agriculture is the largest industry in Rowan County. There is space to attract organizations to become part of the agricultural focus.

Vice-Chairman Greene said the biggest biotechnological center in the country is in Kannapolis. One of their main goals is food research and processing.

Commissioner Klusman said it's important to ask if the building won't be used for this, what will it be used for. The Board that purchased it wanted it for office space. Social Services and the Health Department went into a space that was insufficient for their needs at the time. The recent space study says twice as much space is needed. There is an unbelievable amount of interest in the development of this facility. She has spoken with other commissioners in other counties who have developed agricultural centers and the centers receive a lot of use. Time brings change. When it comes to being fiscally responsible, Commissioner Klusman Said Commissioner Caskey promoted putting \$6 million aside for this project, and the Board has waited until an appropriate time to use this money. An interest rate of 3.57 percent is excellent. Using the space instead of building or buying a similar space would be cheaper.

Vice-Chairman Greene asked how many square feet are being renovated in the current project. Mr. Lauer said approximately 75,000 square feet.

On motion of Edds, seconded by Greene, the Board voted 3-1, with Pierce opposed, to award the bid to Wharton-Smith, Inc. Construction Group in the amount of \$25,630,800, including all alternates.

On motion of Edds, seconded by Greene, the Board voted 3-1, with Pierce opposed, to approve the total project cost at \$30,509,385.

On motion of Edds, seconded by Greene, the Board voted 3-1, with Pierce opposed, to award the financing agreement to TD Bank, N.A. to finance \$28,600,000 and authorize the County Manager to execute the agreement.

On motion of Edds, seconded by Klusman, the Board voted 3-1, with Pierce opposed, to approve a Resolution Authorizing The Execution and Delivery of an Installment Financing Contract to Finance the Renovation of a Portion of the West End Plaza Mall Owned by the County, as follows:

*RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN
INSTALLMENT FINANCING CONTRACT TO FINANCE THE RENOVATION
OF A PORTION OF THE WEST END PLAZA MALL OWNED BY THE COUNTY*

WHEREAS, the Board of Commissioners (the "Board") of the County of Rowan, North Carolina (the "County") desires to finance the cost of the renovation of a portion of the West End Plaza Mall owned by the County for the purpose of creating a 1,000-person meeting room and associated conference rooms, storage and warming kitchen, and converting space to agricultural center offices, as well as certain exterior improvements (the "Project"); and

WHEREAS, the County desires to finance the Project by executing and delivering an installment financing contract, as authorized under Section 160A-20 of the General Statutes of North Carolina; and

WHEREAS, the County sent out a request for proposals to a number of banks relating to the financing on December 19, 2022; and

WHEREAS, TD Bank, N.A. (the "Bank") submitted a proposal to the County dated January 10, 2022 (the "Proposal"), pursuant to which the Bank shall enter into an installment financing contract with the County in the amount of up to \$28,600,000 (the "Agreement") to finance the Project, and to pay certain costs associated with the financing, to be secured by a deed of trust, assignment of rents and leases, security agreement and financing statement that creates a lien on the Project for the benefit of the Bank (the "Deed of Trust"); and

WHEREAS, on January 3, 2023, the Board held a public hearing regarding financing the Project through the execution and delivery of an installment financing contract;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the County (the "Board of Commissioners"), as follows:

- 1. The Board of Commissioners hereby accepts the Proposal, and authorizes and directs the Chairman, the County Manager, the Finance Director and the Clerk, or any of them, to execute, acknowledge and deliver the Agreement and the Deed of Trust on behalf of the County, with such changes and modifications as the person executing and delivering such instruments on behalf of the County shall find acceptable. The Clerk is hereby authorized to affix the official seal of the County to the Agreement and the Deed of Trust and to attest the same.*
- 2. Each of the County Manager and other appropriate officers of the County is hereby authorized and directed to execute and deliver any and all papers, instruments, agreements, tax certificates, opinions, certificates, affidavits and other documents, and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution, the Agreement and the Deed of Trust, and the acquisition, construction, and financing of the Project.*
- 3. All other acts of the Board of Commissioners and the officers of the County, which are in conformity with the purposes and intent of this resolution and in furtherance of the financing of the Project, are hereby ratified, approved and confirmed.*

4. *This resolution shall take effect immediately.*

On motion of Edds, seconded by Klusman, the Board voted 3-1, with Pierce opposed, to authorize the use of \$1,922,310 from the West End Plaza Reserve to be used to pay for the project.

On motion of Edds, seconded by Greene, the Board voted 3-1, with Pierce opposed, to authorize the County Manager or County Attorney to execute any and all loan documents including but not limited to the Promissory Note and Deed of Trust.

Adjournment

At 3:49 p.m., on motion of Greene, seconded by Klusman, the Board voted 4-0 to adjourn.

Sarah Pack, NCCCC
Clerk to the Board