

Building & Grounds Committee Meeting

07-07-15

Chairman Ray Lyons called the meeting to order at 6:00 P.M.

***Roll Call** as follows:

Present: Willie Campbell, Isaiah Grindstaff, Timothy Holdren, Ray Lyons, Cody McQueen, Al Meehan, Bradley Johnson, Randall Jenkins

Quorum Present

Motion made by Isaiah Grindstaff, 2nd by Cody McQueen to approve the Agenda for the meeting.

Vote by Acclamation to approve the agenda as presented.

All Ayes, the agenda was approved.

Motion made by Isaiah Grindstaff, 2nd by Willie Campbell to approve the minutes from the previous meeting.

Vote by Acclamation to approve previous meeting minutes.

All Ayes, previous minutes were approved.

Public Comments - There were no public comments

NEW BUSINESS:

Work Force Development Buildings:

Mr. Lyons thanked everyone for coming out to tour the workforce development buildings. He stated that Charles Von Cannon was there and even taking notes and that he appreciated the involvement. He stated that we were there to figure out what could be utilized in terms of space and also what was not being utilized as far as upgrades. He stated that we found 35 to 40,000 ft.² of space that was not being utilized. He opened the floor for comments on the tour of the buildings. Mr. Meehan questioned if the two buildings on the property of about 36 acres were owned by the County. Mr. Lyons stated that yes the County did own them. Mr. Lyons stated that on his previous visit to the site the Watauga River Regional Water Authority was vacating the building. Mr. Lyons stated that since their departure the Carter County Johnson County

adult education program had moved in. Mr. Johnson questioned what percentage of occupancy was currently filled. Mr. McQueen stated that the property was owned by the County and it was our duty as commissioners to make sure the building was being kept in good condition. He stated he felt the commissioners should be making sure that each County building was being utilized to the fullest and to make sure that this property specifically was a benefit to the County. Mr. Meehan questioned if someone wanted to occupy space they are if they would come to the County Mayor. Mayor Humphrey stated that no there was a lease in place that the County entered into in 2012. He stated that the lease was between Carter County and the Private Industry Council. Mr. Humphrey stated that it during research he found newspaper articles regarding the facility. One in particular dated August, 15 2007. He stated the newspaper article recounted that when the Great Lakes research facility moved out of the property Carter County purchased it. The County needed someone to manage and oversee the property to collect rent and lease it out to tenants. He stated that it read the property was leased for \$82,000 a year almost immediately following the purchase. He stated the County paid just over 800,000 for the property. He stated that County went into a lease/purchase for a net sale price of about \$1.2-\$1.3 million but he stated the agreement was canceled. He stated that due to legal revisions PICs across the nation had folded. He stated that the Private Industry Council was a 5 County conjoined effort. He stated that Carter County Tomorrow was created in 2006. He said they hired a new Director in 2007 Mr. Don Hurst. He stated Carter County Tomorrow at that point in time took possession of Private Industry Council. Mr. Humphrey stated there was no record that Private Industry Council ever approved the take over by Carter County Tomorrow. He stated Carter County entered into a new lease with the Private Industry Council, and that no site visitation or research was done before the commission approved the move. He stated it was signed by himself, because the commission approved it, and by Private Industry Council President Tom Anderson. He stated that based on the research that he has completed now the Private Industry Council does not exist. He stated these findings were based off of filings with the Secretary of State in 2007. He stated that in those findings Mr. Hurst had appointed 5 new members to the Private Industry Council that did not consist of the five county mayors but the then current members of Carter County Tomorrow. He stated that he can find nothing stating that Mr. Hurst had the authority to take control of the regional council and make the move of switching the members. He stated that he has submitted the information to the County Attorney, and that the County Attorney had rendered an opinion. However, he stated, he had not had an opportunity to share the current findings with the attorney, and would make them available to him by the next day. He stated that Economic Development Corporation of the county was dissolved immediately, the records were destroyed, and that Carter County Tomorrow took possession of the lock box at the bank. He stated that tourism and the Chamber of Commerce were all under the umbrella of Carter County Tomorrow. He stated another article August 29, 2007 reads that the tow buildings were occupied at that time by Watauga River Regional Water Authority, Alliance for Business & Training, TN Career Center, Northeast State Technical Community College Elizabethton Campus, and Tennessee Technology Center nursing classes. He stated that it reads following the meeting Mr. Shepherd gave a tour of the facility which offers more than 40,000 square feet of floor space for use. He stated that was the 2nd floor of building two which was previously occupied by a large company. He stated that in 2011 Carter County Tomorrow President Tom Anderson came before the committee and asked for forgiveness of lease payments. He stated at that time rent went from \$82,000 annual to \$41,000. He stated that the purpose was for upkeep, to prepare the buildings for lease to companies, and (minutes not reflecting) he stated the dialog at the time was that CCT

would install an elevator to make the building ADA compliant. He stated that the elevator was never built and the building is not ADA accessible. He stated that they entered into the new lease in 2012, and then he stated that they came before the commission again asking for four years forgiveness on the lease in order to install a new roof. He stated that the repairs have been made at a cost of approximately \$152,000 and that the total forgiveness was about \$164,000. He stated that during the tour several leaks were uncovered, and that building one needs a new roof. He stated that the terms of the lease state that in the event of major repairs needed to be done if there is a financial hardship of them making payments to the county we would not forgive the rent but negotiate a postponement of the rental payments until such time as the leasee is able to resume making payments. Mr. Meehan questioned if the County owned the property? Mr. Humphrey stated the County did own the property. Mr. Meehan questioned if we were getting any money from the entity that doesn't exist? Mr. Humphrey stated that no based on the forgiveness granted by the commission. He stated that there was failure to pay based on his research, and that there was no financial hardship. Mr. Carroll stated that based off the information that was provided by Ms. Kathy Pierce there was about \$90,000 in rent being paid by the Alliance for Business & Training. He questioned where all the money being paid in rent is going? Mr. Humphrey stated that the bulk of the money being collected now of about \$340,000 and that there is potential for \$200,000. He stated the money coming in now is being used primarily for staffing and payroll for the management of the property. Mr. Johnson questioned the County Attorney on if the organization did exist. County Attorney Josh Hardin stated that there is a filing with the Secretary of Stated, but that he hasn't had the opportunity to review the latest information. Mr. Johnson stated that he felted the situation had potential for fraud. Mr. Meehan questioned if the Mayor had additional new information, or if the information he brought forth was the new information. Mr. Humphrey stated that he had additional data obtained from research, and that he would get that information to the County Attorney. Mr. Humphrey stated that the minutes and records of the Private Industry Council after 2007 do not exist. He stated that there has to be some means of dissolving a multi-county bored other than a simple filing with the Secretary of State to assume control of a board of that size and scope. He stated that if the findings validate that information the County should terminate the lease and assume control of the property. Mr. Meehan stated that we have a lot of research to do before we act on dissolving a lease or taking action. Mr. Lyons stated that we were trying to right a wrong. Mr. Meehan stated that the newspaper article mentioned said that the County needed someone to manager the property and prepare the buildings for leases. He questioned if the County would have time to and resources to manage the property. Mr Humphrey stated that he understood that at the time the County may have been unsure if it could manage the property. He stated that it isn't being properly managed now, and with the additional help of the inmate labor we have the ability to manage the property. He stated that this may not be an immediate gain for the county and could be a liability on the front end, but he stated if managed correctly it could be a serious gain for the county. Mr. Lyons stated that the history of the subject was interesting, and that it was good to see the potential of what could be accomplished. He stated that he thought we needed a motion to direct the County Attorney to research the materials and to render an opinion as to how to proceed to terminate the lease. Josh Hardin stated that he would certainly research whether Tom Anderson had the authority to sign the lease and if the lease was valid. He stated he would research all aspects of the lease. Mr. Meehan stated he thought it was premature to add to the motion the part about terminating the lease. Mr. Johnson stated that we should have a plan together as a County before we terminate a lease. Mr. Holdren restated the motion as to direct the County Attorney to

research the validity of the lease document and the ownership of the PIC and what role CCT played in the situation; Also to bring pack his findings to the committee.

Motion made by Tim Holdren, 2nd by Randall Jenkins to 1.direct the County Attorney to research the Validity of the lease of the Great Lakes Buildings and the ownership of the PIC 2. Determine what role CCT played in the signing, and to return the findings to the Buildings & Grounds Committee

Vote by Roll Call

Mr. Jenkins	Y
Mr. Campbell	Y
Mr. Meehan	Y
Mr. Grindstaff	Y
Mr. McQueen	Y
Mr. Johnson	Y
Mr. Holdren	Y
Mr. Lyons	Y

All Ayes, Motion Carried

Mr. Meehan stated that he observed safety and liability concerns while touring the facility. Mr. Hardin Advised that any concerns regarding safety that may lead to future litigation should be handled in executive session. He stated that he would certainly be willing to look at any items of concern. Mr. McQueen stated he wanted us to keep fresh on our minds that we little has changed over eight years. He stated that we have an opportunity to make a difference by acting, and stated his belief in the committee and the mayor to oversee this project. Mr. Humphrey stated that we should consider if it is wise to allocate \$40,000 to Carter County Tomorrow when the current lease payment is \$41,000 until something regarding the lease is resolved.

NEW BUSINESS:

Old 911 Building Progress Report-

Mr. Lyons stated that the old 911 Building will be ready by July. John Lewis questioned how much has the project cost, and how much will it cost? Mr. Humphrey stated that he didn't have exact numbers, but that it will be between the \$20,000-\$25,000 to complete the project. He stated that Paul Souder has taken an active role, and was taking time to go take supervisory roll at the facility. He stated that they are progressing in all aspects of the repairs, and they expect it to be done by late July. Mr. Campbell stated they have done a great job, and that is like day light from dark. Mr. Humphrey stated that they are taking an ownership perspective on the project and are moving forward.

Health Department -

Mr. Lyons stated that he respected and really appreciated Director Caroline Hurt at the Carter

County Health Department. He stated that he appreciated the committee's help in moving the project forward, and that it was a critically important facility that treated around 100 patients per day. He stated that the health department did receive a check for \$450,000 to begin renovations on the new plans. He thanked those in attendance from the Health Department.

Motion made by Al Meehan, 2nd by Isaiah Grindstaff to Adjourn

Vote by Acclamation

All Ayes, Motion Carried

Meeting was Adjourned.

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