

# LEE COUNTY

NORTH CAROLINA

*Committed Today for a Better Tomorrow*

STATE OF NORTH CAROLINA

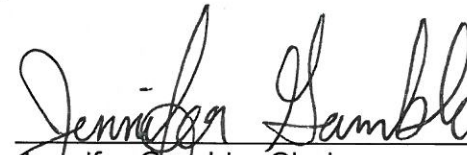
COUNTY OF LEE

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## PUBLIC NOTICE

**NOTICE IS HEREBY** given that the Lee County Board of Commissioners will hold a Budget Work Session Monday, June 5, 2017 beginning at 5 p.m. This work session will include discussion regarding the contract with the Sanford Area Growth Alliance and any other budget related matters of interest. The meeting will be held in the Commissioners' Board Room, First Floor, Lee County Government Center, 106 Hillcrest Drive, Sanford.

Dated this 24<sup>th</sup> day of May, 2017.

  
\_\_\_\_\_  
Jennifer Gamble, Clerk  
Lee County Board of Commissioners

# LEE COUNTY

NORTH CAROLINA

*Committed Today for a Better Tomorrow*

## LEE COUNTY BOARD OF COMMISSIONERS

### ITEM ABSTRACT

Meeting Date: June 5, 2017

### ITEM NO.

Work Session Information

### SUBJECT:

Consider the attached contract with the Sanford Area Growth Alliance

### DEPARTMENT:

Administration

### CONTACT PERSON:

Whitney Parrish

### REQUEST:

To consider the attached contract with the Sanford Area Growth Alliance with proposed changes by staff and members of the Board of Commissioners.

### SUMMARY:

In October of 2014, Lee County executed a contract for economic development services with the Sanford Lee County Partnership for Prosperity. Since 2014, the County has continued to fund SLCPP for these services. The SLCPP has also since started doing business as the Sanford Area Growth Alliance.

The attached contract shows some proposed changes. The changes in green are proposed staff changes and those in red are proposed Commissioner changes.

### BUDGET IMPACT:

\$270,000.00

### ATTACHMENT(S):

Contract

### PUBLIC HEARING:

N/A

### PRIOR BOARD ACTION:

Original contract was adopted in October 2014

### RECOMMENDATION:

Pleasure of the Board

This CONTRACT made and entered into this the \_\_\_\_\_ day of \_\_\_\_\_, 2017, by and between the County of Lee, one of the 100 counties of the State of North Carolina and a body politic and corporate, hereinafter referred to as COUNTY, and the Sanford-Lee County Partnership for Prosperity, **doing business as Sanford Area Growth Alliance**, a non-profit corporation organized and existing under the laws of the State of North Carolina, hereinafter referred to as **SAGA**.

WITNESSETH

WHEREAS, Chapter 158 of the North Carolina General Statutes authorizes counties to engage in economic development activities; and,

WHEREAS, North Carolina General Statute §153A-449 authorizes counties to contract with and appropriate money to a corporation to carry out any public purpose that a county is authorized by law to perform; and,

WHEREAS, it is the desire of the Lee County Board of Commissioners that the County should engage in economic development activities and that **SAGA** should be employed to undertake such activities on behalf of the County; and,

WHEREAS, **SAGA**, by action of its **Board of Directors**, has indicated its willingness to perform such activities on behalf of the County; and,

WHEREAS, both parties desire a written memorandum of their agreement.

NOW, THEREFORE, in consideration of the premises, the sums to be paid, and the mutual promises herein set out, the parties have mutually agreed as follows:

1. County hereby engages **SAGA** to carry out a program of economic development in keeping with the authority granted to it by Chapter 158 of the North Carolina General Statutes and **SAGA** accepts such engagement and promises to perform and carry out such a program.
2. County agrees to make an annual budgetary appropriation to pay for the services provided by **SAGA** to include the recruitment of new industry, business retention and expansion, marketing of Lee County and business/industrial sites and another activity which is considered typical for an economic development agency to provide to a County.
3. In consideration for making the annual budgetary appropriation, the County will appoint \_\_\_\_\_ members to the **SAGA** Board of Directors at their sole discretion and consistent with County Policy on Board Appointments.
4. One of the Board members appointed to the Board of Directors shall be an elected County Commissioner. The Board of Commissioners can also elect an alternate Commissioner to serve on the **SAGA** Board of Directors. The alternate Commissioner can attend all meetings of the Board of Directors but shall not vote on any matters, unless the appointed Commissioner is absent.
5. The other members appointed to the **SAGA** Board of Directors shall be private citizens of Lee County.



6. Lee County and SAGA agree to participate and plan a quarterly update meeting that will include the City of Sanford and the Town of Broadway. At this meeting, SAGA will deliver a report to all three boards detailing the activities of SAGA. In addition, on an annual basis (the fourth quarter report), SAGA will include an annual economic outlook report as well as a review of the successes achieved by SAGA. SAGA will also provide a monthly written report to the Lee County Board of Commissioners as an update on the activities of SAGA. The SAGA Director and/or the Economic Development Director will appear before the County Commissioners to give updates and seek support for projects in the County as needed.
7. Cooperate in the development of a joint community and economic development office in the Old Buggy Factory in downtown Sanford. The purpose of this initiative is create a climate of cooperation for the growth of Lee County, the City of Sanford and the Town of Broadway.
8. SAGA agrees to the following:
  - a. To select, supervise and evaluate the performance of the SAGA staff to ensure that the delivery of an effective Economic Development Program. The supervision of staff includes the current staff, consisting of seven positions including the Chief Executive Officer, Economic Development Executive Director, Chamber of Commerce Executive Director, Events Manager, Marketing and Research Manager, Visitor Services Director, and the Operations Manager. ~~The Chairman of the SLCPP Board of Directors and the Executive Director will meet with the Chairman of the Board of County Commissioners and the County Manager to review the program of work.~~
  - ~~b. Monthly, the Executive Director will meet with the County Manager and review the upcoming meeting agendas for the Lee County Board of Commissioners. If it is determined that the Director needs to be present for a meeting, then either the Director or, if there is a conflict, the Chairman of the SLCPP will attend the meeting.~~
  - c. To direct the Economic Development staff to develop and implement an effective economic development program. The SAGA Board of Directors will monitor the results of the program and develop action plans to help develop job growth and investment in Lee County. (Does SAGA now have a way to measure the delivered results and if so how is this occurring?). The SAGA Board of Directors currently includes:
    - i. Dr. Andy Bryan-Lee County Schools
    - ii. Bill Horner II-The Sanford Herald
    - iii. Bill Murphy-Rodeco Co.
    - iv. Brad Crace-Caterpillar, Inc (Executive Committee)
    - v. Brad Simpson, Vice Chairman-David H. Simpson Construction Company (Executive Committee)
    - vi. Dr. Bud Marchant-Central Carolina Community College
    - vii. Carl Carlson-RM Carlson, CPA
    - viii. Carter Keller-Carolina Commercial Contractors, LLC & The Oaks (Executive Committee)
    - ix. Charlie Welborn, Treasurer-DMJ & Co., PLLC (Executive Committee)
    - x. Mayor Chet Mann-City of Sanford (Executive Committee)

- xi. David Foushee-First Bank
- xii. David Marsh-Sanford Honda
- xiii. Doc Oldham-Lee County Commissioner (Executive Committee)
- xiv. Mayor Donald Andrews-Town of Broadway (Executive Committee)
- xv. Donnie Oldham, Chair-Sanford Contractors, Inc. (Executive Committee)
- xvi. Dustin Kornegay-Broadway Town Manager
- xvii. Faye Cameron-Broadway Realty
- xxiii. Greg Hudson-Raleigh Executive Jetport
- xix. Hal Hegwer-City Manager of Sanford
- xx. Jeff Lamb-STI Polymer
- xxi. Jeff Yow-Chatlee Boat & Marine
- xxii. Jimmy Keen-BB&T
- xxiii. John Crumpton-Lee County Manager
- xxiv. Kim Sutton-Red Wolf, LLC (Executive Committee)
- xxv. Kirk Bradley, Secretary-Lee-Moore Capital Company (Executive Committee)
- xxvi. Reuhl Dabolt-Lee County Farm Bureau
- xxvii. Robin Perkins-Frontier Spinning Mills, Inc.
- xxviii. Sam Gaskins-City of Sanford Council Member
- xxix. Scott W. Hadley-NAI Carolantic Realty
- xxx. Stephen Greer, Interim-NC Cooperative Extension (Executive Committee)
- xxxi. Tim Thomas-Lee County Agriculture
- xxxii. Tina Gross-Gross Farms
- xxxiii. William Landon-Static Control Components, Inc.

- d. To provide a copy of all minutes of the Board of Directors and/or Executive Board of Directors meetings to the appointed Commissioner, who will then distribute the minutes to the Board of Commissioners.

~~e. SAGA will assist the County in the development and implementation of the County's Economic Strategic Plan. The Executive Director and County Manager will work together to attain the goals of the two organizations through their respective Strategic Plans. The two organizations will work towards developing ways to measure the delivered results to the County.~~

- f. To follow the County's Economic Development Investment Guidelines in dealing with incentives to industry and businesses. The Executive Director will take the project before the SAGA Board of Directors or Executive Board for a recommendation. All recommendations, favorable or unfavorable, will be forwarded to the Lee County Board of Commissioners for their consideration, **in writing by either the SAGA Board of Directors or Executive Board of Directors.**
- g. To cooperate fully with all agencies located in Lee County whose goal is to grow the Town of Broadway, City of Sanford, and Lee County. These groups include, but are not limited to, the Sanford Area Chamber of Commerce, 2<sup>nd</sup> Century Committee, Lee County Board of Education, City of Sanford Downtown Development Corp., and Central Carolina Community College.



- h. To keep accurate, thorough, and detailed records of the expenditure of funds appropriated by the County for economic development. Annually, SAGA will provide an annual budget request to the County Manager. ~~and an annual audit to the Board of Commissioners.~~ The annual budget request will be the financial plan that addresses SAGA's efforts to recruit new industry and retain existing industry. ~~The budget is due to the County Manager by March 15<sup>th</sup> of each year.~~
  - i. Beginning with FY 2016-17 fiscal year, SAGA will provide an annual audit to the Board of Commissioners every other year. Beginning with the FY 2015-16 year, SAGA will provide a financial review conducted by their auditor to the Commissioners every other year. Both financial reports are due to the Commissioners by December 31<sup>st</sup> of each year.
  - j. SAGA will establish an audit committee that will work with SAGA's auditor to complete the annual audit. (Who will make up the audit committee)
  - k. SAGA will provide a monthly financial statement to the Board of Commissioners.
  - l. The SLCPP will submit an annual Capital Improvements Plan to the Board of Commissioners which outlines the infrastructure needs of the County for economic development purposes over the next five (5) year period. (Do we have a CIP for infrastructure covering 5 years?)
  - m. To apprise the Board of Commissioners and the County's community and government relations manager of all job announcements before media is contact for the purpose of a public announcement.
  - n. To cooperate fully with the County's auditors in their annual examination of county expenditures.
9. The annual appropriation to SAGA in FY 2017-18 will be \$270,000.00. The appropriation of funds by the County for subsequent fiscal years and the acceptance of same by SAGA shall renew or extend this agreement for such fiscal year. As required by the Local Government Budget Fiscal Control Act, this agreement is subject to the annual appropriation clause of the Act.
- ~~10. After the execution of this agreement, the SLCPP will develop a strategic marketing plan to be completed by \_\_\_\_\_. At the beginning of this project, the SLCPP will organize a joint meeting of the funding boards and other stakeholders to discuss and create more public/private partnerships, work with other organizations that have common goals in an effort to streamline economic development and marketing plans, and to create a team strategy to address the current economic conditions we face as well as projecting future economic conditions.~~
11. This agreement becomes effective July 1, 2017. ~~This agreement becomes effective January 1<sup>st</sup>, 2015, when the current Lee County Economic Development Corporation is merged into the newly formed Sanford Lee County Partnership for Prosperity.~~

IN WITNESS WHEREOF, County has caused this instrument to be executed in its name by the Chairman of the Board of Commissioners for said County and attested by the Clerk of said board, and its County seal to be affixed, all by authority of its Board of Commissioners, first duly given; and SAGA has caused this instrument to be executed in its name by its President for said County and attested by its Secretary, and its corporate seal to be affixed, all by authority of its Board of Directors, first duly given, both effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2017.

LEE COUNTY BOARD OF COMMISSIONERS

By: \_\_\_\_\_

\_\_\_\_\_  
Jennifer Gamble  
Clerk to the Board

SANFORD AREA GROWTH ALLIANCE

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

# LEE COUNTY

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## LEE COUNTY BOARD OF COMMISSIONERS

### ITEM ABSTRACT

Meeting Date: June 5, 2017

### ITEM NO.

Work Session Information

**SUBJECT:** SAGA funding information

**DEPARTMENT:** Administration/Finance

**CONTACT PERSON:** John A. Crumpton, County Manager  
Lisa G. Minter, Assistant County Manager/Finance Director

**REQUEST:** N/A

**SUMMARY:** At the budget work session on May 22, 2017, the Board requested additional information regarding payments made to SAGA in fiscal years 2015-16 and 2016-17. The Board also requested information regarding expenses paid related to the Buggy Factory. Attached is a sheet showing the payments made to SAGA and the purpose of those payments for each year requested. Also attached is a sheeting detailing the shared expenses related to the Buggy Factory. The sheet also shows the portion of the bills that the City and County absorbed.

**BUDGET IMPACT:** N/A

**ATTACHMENT(S):** Payments to SAGA  
Shared Costs for the Buggy Factory

**PUBLIC HEARING:** N/A

**PRIOR BOARD ACTION:** N/A

**RECOMMENDATION:** Information only



## Payments to SAGA

### FY 2015-16 payments to SAGA

\$ 190,000 Contractual amount for economic development services

### FY 2016-17 payments to SAGA

\$ 190,000 Contractual amount for economic development services

\$ 370,000 CCEP entrance development

\$ 25,000 Visitor services contract amount for FY 16-17

\$ 25,000 Visitor services contract amount for FY 15-16

(The County was not invoiced for this in FY 15-16)

\$ 610,000

Lee County  
Shared Costs for the Buggy Factory

|   | Duke Energy      | Premium Express  | Security      | Waste Management | Water & Sewer | Ribbon Cutting | Total            |
|---|------------------|------------------|---------------|------------------|---------------|----------------|------------------|
|   | \$               | \$               | \$            |                  |               | \$             |                  |
|   | 102.69           | 81.95            | 75.00         |                  |               | 100.00         |                  |
|   | 858.80           | 504.00           | 75.00         |                  |               | 250.00         |                  |
|   | 1,089.09         | 1,259.37         | 75.00         |                  |               | 146.61         |                  |
|   | 933.46           | 1,344.89         | 75.00         |                  |               |                |                  |
|   | 832.85           | 1,242.99         |               |                  |               |                |                  |
|   | 962.83           | 1,323.52         |               |                  |               |                |                  |
| <b>FY 2015 -16</b>                            | <b>4,779.72</b>  | <b>5,756.72</b>  | <b>300.00</b> |                  |               | <b>496.61</b>  | <b>11,333.05</b> |
| <b>County share at 50%</b>                    | <b>2,389.86</b>  | <b>2,878.36</b>  | <b>150.00</b> |                  |               | <b>248.31</b>  | <b>5,666.53</b>  |
| <b>SAGA's portion paid by City and County</b> | <b>917.23</b>    | <b>1,104.71</b>  | <b>57.57</b>  |                  |               | <b>95.30</b>   | <b>2,174.81</b>  |
|   |                  |                  |               |                  |               |                |                  |
|   | 1,122.34         | 1,254.62         | 75.00         | 35.01            | 242.68        |                |                  |
|   | 1,151.35         | 1,287.57         | 75.00         | 35.01            | 271.04        |                |                  |
|   | 1,222.25         | 1,269.12         | 75.00         | 35.01            | 34.54         |                |                  |
|   | 896.36           | 1,254.62         | 75.00         | 35.00            | 39.02         |                |                  |
|   | 898.60           | 1,280.62         | 50.00         | 35.00            |               |                |                  |
|   | 984.00           | 1,287.59         | 75.00         | 35.00            |               |                |                  |
|   | 1,076.41         | 1,280.65         | 75.00         | 35.00            |               |                |                  |
|   | 956.26           | 1,316.25         | 25.00         |                  |               |                |                  |
|   | 920.83           | 1,297.26         | 75.00         |                  |               |                |                  |
|   | 821.71           | 1,254.60         | 45.00         |                  |               |                |                  |
|   |                  |                  | 75.00         |                  |               |                |                  |
|   |                  |                  | 75.00         |                  |               |                |                  |
| <b>FY 2016-17 Costs</b>                       | <b>10,050.11</b> | <b>12,782.90</b> | <b>795.00</b> | <b>280.03</b>    | <b>587.28</b> | <b>-</b>       | <b>24,495.32</b> |
| <b>County share at 50%</b>                    | <b>5,025.06</b>  | <b>6,391.45</b>  | <b>397.50</b> | <b>140.02</b>    | <b>293.64</b> | <b>-</b>       | <b>12,247.66</b> |
| <b>SAGA's portion paid by City and County</b> | <b>1,912.54</b>  | <b>2,432.59</b>  | <b>151.29</b> | <b>53.29</b>     | <b>111.76</b> | <b>-</b>       | <b>4,661.46</b>  |

Note: SAGA's portion determined using their portion of rent expense. SAGA pays for their own internet service and are billed monthly by the County for phone service.