

**Minutes of the 29 March 2010**  
**Special Meeting of the Yancey County Board of Commissioners**  
**Held at 5:00 o'clock p.m. in the Yancey County Courtroom**  
**Yancey County Courthouse, Burnsville, North Carolina**

Present at the 29 March 2010 meeting of the Yancey County Board of County Commissioners were Chairman Walter Savage, Member Jerri Storie, Member Johnny Riddle, County Manager Nathan Bennett, Clerk to the Board Jason Robinson, County Planner Jamie McMahan, and Jody Higgins.

**Call to Order and Approval of Agenda**

Chairman Savage called the meeting to order and entertained a motion to approve the agenda. The motion was made by Commissioner Storie and seconded by Commissioner Riddle and the vote to approve was unanimous. (Attachment A)

**Review and Synopsis of Yancey County Public Library Project**

County Manager Nathan Bennett reviewed the process for the county applying for the \$1.2 million Economic Development Recovery Zone Bonds. He stated that other funding sources had been looked at but there just simply isn't any grant money or philanthropic monies available. County Planner Jamie McMahan informed the Board that the bonds would be sold by BB&T in this arrangement and that the county would still be appropriating \$100,000 per year to the library except now the library could be built while the County is paying on the building, it would have no impact on Yancey County's budget. Mr. McMahan also told the Board that the federal government will be giving a 45% reimbursement of the interest charges which makes the effective rate of the bonds 4.05%. He further stated that the project can be completed for \$1.2 million according to the architect. The Board next heard from Teresa Coletta, representing the Yancey County Library Project's Steering Committee. Ms. Coletta reviewed the long road that the library project has been traveling since 1999. Ms. Coletta stated that the reason for the new library is that the old library building simply cannot serve all of its patrons like it should. Ms. Coletta further stated that volunteers had raised over \$1.5 million to pay on the project through fundraisers and grants. Ms. Coletta also stated that she would like to thank this Board of Commissioners for listening to its citizens and helping to move the library project forward. The Board next heard from Dr. Daniel Barron of the Avery Mitchell Yancey (AMY) Library System. Dr. Barron stated that the library is just here for the people. He stated that last year about 3,000 people per month came to the Yancey County Library. He further stated that for every \$1 that is put into a library, the community gets back \$4. He thinks that is a great rate of return.

**Public Hearing**

Chairman Savage then opened up the floor to anyone who had anything to say about this project. First to speak before the Board was Ruth Pope. She stated that she would like to thank Teresa Coletta for all of her work in seeing this project through and she wanted to say that this was the greatest community that she has ever lived in. Next to speak before the Board was Gwen Harris who stated that she has always been a fan of the library. She further stated that she wished that this project would have been this far along when she was EDC Director because industry looks at the projects that the community has ongoing. The next person to speak before the Board was Charles Gillespie who stated that the things that are almost as important as the books in the library are the people in the library. He stated he would like to see all the people associated with the library through the years memorialized in some way in the new library. The next person to speak before the Board was Dr. Carolyn Cort. She stated that she was so happy with this expansion of the library that as a young person she worked on the Bookmobile and she was able to see the difference that books made in children's lives. Next to speak before the Board was Bob Brandt with Yancey County Literacy Council. He stated that a library is much more than books and that that literacy council would like to work with the library to get more people reading. Next to speak before the Board was Bunny McIntosh who stated that the new library was going to be the "crown jewel" in the old YCI complex. Next to speak before the Board was Martha Tyner who stated that she would like to thank the Board for helping look for the money to complete this project and she stated that she would like to thank everyone for their hard work.

Chairman Savage then recognized Yancey County Finance Director Lynne Hensley. Ms. Hensley informed everyone that this was just the first step that the county must go through in order to borrow this money. She stated that now it must go before the Local Government

Commission in Raleigh for approval. After that approval then the project could move forward. Commissioner Storie stated that she would like to thank everyone for their hard work on this project. Commissioner Riddle echoed the sentiments of Commissioner Storie and stated that the library has a special place for him because his daughters love to go to the library and get a new book. Chairman Savage stated that he was very proud of being a part of getting the library finished and he hopes that the Local Government Commission will have faith in Yancey County. Chairman Savage then recognized Judy Byrd to speak. Ms. Byrd stated that she would like to thank this Board of Commissioners for all of the thought that has been put into this project and would also like to thank Teresa for all of her hard work and her desire, along with Ms. Byrd's husband James, to seeing the library finished. Upon offering any more comments to the public, Chairman Savage closed the floor for comments.

**Consideration of Resolutions for Bond Financing and Application to Local Government Commission concerning the Yancey County Public Library Extension Project**

Chairman Savage then asked the Clerk to read the first resolution entitled: "RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20 AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT" (Attachment B). Upon reading by the Clerk Commissioner Storie made a motion to approve this resolution. The motion was seconded by Commissioner Riddle and the vote to approve was unanimous with all commissioners voting aye. Chairman Savage then asked the Clerk to read the second resolution entitled: RESOLUTION AUTHROIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT IN THE AMOUNT OF \$ 1,200,000 WITH BRANC BANKING AND TRUST TO FINANCE THE CONSTRUCTION, RENOVATION, AND EQUIPPING OF A LIBRARY, AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH" (Attachment C). Upon reading of the resolution by the Clerk Chairman Savage made a motion to approve the resolution. The motion was seconded by Commissioner Riddle and the vote to approve was unanimous with all commissioners voting aye.

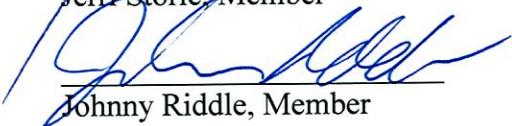
**Adjournment**

Having no further business Commissioner Riddle made a motion to adjourn and it was seconded by Commissioner Storie. The vote to adjourn was unanimous.

Approved and authenticated on this the \_\_\_\_\_ 6<sup>th</sup> \_\_\_\_\_ day of April 2010.

Attest:

  
\_\_\_\_\_  
J. Jason Robinson  
Clerk to the Board

  
\_\_\_\_\_  
Walter Savage, Chairman  
  
\_\_\_\_\_  
Jerri Storie, Member  
  
\_\_\_\_\_  
Johnny Riddle, Member

(county seal)



Attachment A



## YANCEY COUNTY

110 Town Square, Room 11 • Burnsville, North Carolina 28714  
PHONE: (828) 682-3971 • FAX: (828) 682-4301

Nathan Bennett, *County Manager*

Walter Savage, *Chairman*

Jerri Storie, *Commissioner*

Johnny Riddle, *Commissioner*

**AGENDA**  
**YANCEY COUNTY BOARD OF COMMISSIONERS**  
**PUBLIC HEARING and SPECIAL MEETING**  
**PROPOSED FINANCING FOR YANCEY COUNTY PUBLIC LIBRARY**  
**EXTENSION PROJECT**

**March 29, 2010**

**5:00pm**

- I. Call to Order---Chairman Savage
- II. Approval of Agenda
- III. Review and Synopsis of Yancey County Public Library Extension Project and Recovery Zone Economic Development Bond
- IV. **PUBLIC HEARING** for comment on project
- V. Open the Floor for Public Comment on Proposed Financing
- VI. Close the Floor for Public Comment
- VII. Consideration of Resolutions for Bond Financing and Application to Local Government Commission concerning the Yancey County Public Library Extension Project
- VIII. Adjourn



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### **RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION FOR APPROVAL OF AN INSTALLMENT FINANCING AGREEMENT AUTHORIZED BY NORTH CAROLINA GENERAL STATUTE 160A-20 AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT FINANCING AGREEMENT**

WHEREAS, the County of Yancey, North Carolina (the "County") desires to complete the construction, renovation and equipping of an historic building to house the Yancey County Public Library, an art and cultural museum, and a state of the art computer information center (the "Project"); and

WHEREAS, it is proposed that the Project be financed through an installment financing agreement (the "Agreement") entered into by the County pursuant to N.C.G.S. § 160A-20 for a term of up to fifteen (15) years, which is expected to be designated as a of recovery zone economic development bonds; and

WHEREAS, the County received an allocation of recovery zone economic development bonds in the amount of \$1,518,000, and on December 10, 2009, indicated its intention to use such recovery zone economic development bonds for the Project; and

WHEREAS, on December 1, 2009, the County designated the entire County as a recovery zone; and

WHEREAS, the purpose of the Project is to provide improved library facilities for the citizens of Yancey County; and

WHEREAS, the County may advance its own funds to pay expenditures related to the Project, may borrow funds on a short term taxable or tax exempt basis in order to pay such expenditures or may enter into contracts obligating third parties to make certain expenditures relating to the Project (the "Expenditures") prior to incurring indebtedness and to receive reimbursement for such Expenditures from proceeds of taxable debt (to be designated as recovery zone economic development bonds issued under Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the "Code"));

WHEREAS, findings of fact by the County Commissioners of Yancey County, North Carolina must be presented to enable the North Carolina Local Government Commission to make its findings of fact set forth in N.C.G.S. 159-151 prior to its approval of the proposed contract;

NOW, THEREFORE, BE IT RESOLVED by the County Commissioners of the County of Yancey, North Carolina, meeting in special session on the 29<sup>th</sup> day of March, 2010:

1. The proposed Agreement is necessary or expedient because there is a need to construct, restore and renovate the Yancey County Public Library, which will include an art and cultural museum and a state of the art computer information center.



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Johnny Riddle, *Commissioner*

2. The Agreement is preferable to a bond issue for the same purpose because the costs of issuance for such a small obligation would increase the effective interest rate to an unacceptable rate, and, if the Agreement is sold as a recovery zone economic development bond, the effective interest rate (taking into account the 45% tax credit) is expected to be less than the interest rate on a tax exempt offering.

3. The sums to fall due under the Agreement are adequate and not excessive for the proposed purpose because the construction of the Project will be competitively bid.

4. Facts supporting the conclusion that debt management policies have been carried out in compliance with the law and reasonable assurances that compliance with the law will henceforth be carried out are as follows:

(a) The Local Government Commission has taken no action against the County, nor found the County to have acted improperly in debt management.

(b) The County has not defaulted on any debt obligation.

(c) The County follows the debt management guidelines of the North Carolina Local Government Commission.

5. There will be no increase in taxes necessary to meet the sums to fall due under the Agreement.

6. The County is not in default in any of its debt service obligations.

7. The attorney for the County will rendered an opinion that the proposed Project is authorized by law and is a purpose for which public funds may be expended pursuant to the Constitution and laws of North Carolina.

8. Hunton & Williams LLP has been retained to serve as bond counsel;

9. The Chairman, the County Manager, the County Finance Officer and bond counsel are hereby authorized, directed and designated to file an application with the North Carolina Local Government Commission for its approval of an installment financing agreement in an amount of up to \$1,518,000 to finance the Project with a term of up to 15 years, and the Chairman, the Finance Officer and the County Manager are hereby authorized and directed to take all actions in furtherance of such Agreement.

10. The County intends that the proceeds of the Agreement be used to reimburse the County for Expenditures with respect to the Project made on or after the date that is no more than 60 days prior to the date of this resolution and after the date that the recovery zone was designated. The County reasonably expects on the date hereof that it will reimburse the Expenditures with the proceeds of the Agreement or other debt. The County intends that the adoption of this resolution confirms its



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Walter Savage, Chairman

Jerri Storie, Commissioner

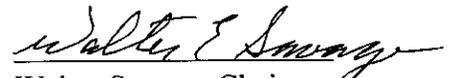
Johnny Riddle, Commissioner

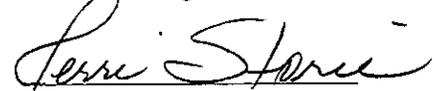
“official intent” within the meaning of Treasury Regulations Section 1.150-2 promulgated under the Code.

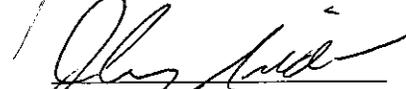
11. All other action of the Board and the officers of the County that are in conformity with the purposes and intent of this Resolution are hereby approved.

12. This resolution shall take effect immediately.

Adopted this the 29<sup>th</sup> day of March 2010.

  
Walter Savage, Chairman

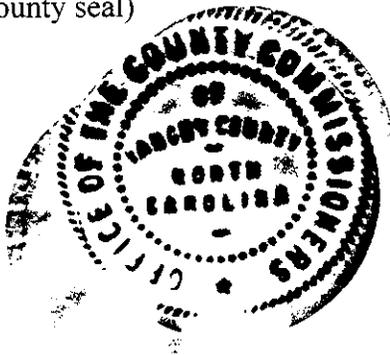
  
Jerri Storie, Member

  
Johnny Riddle, Member

Attest:

  
J. Jason Robinson, Clerk to the Board of Commissioners

(county seal)



*Attachment C*



## YANCEY COUNTY

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Nathan Bennett, *County Manager*

Walter Savage, *Chairman*

Jerri Storie, *Commissioner*

Johnny Riddle, *Commissioner*

**RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN  
INSTALLMENT FINANCING AGREEMENT IN THE AMOUNT OF \$1,200,000  
WITH BRANCH BANKING AND TRUST BANK TO FINANCE THE  
CONSTRUCTION, RENOVATION AND EQUIPPING OF A LIBRARY,  
AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED  
INSTRUMENTS, AND DETERMINING OTHER MATTERS IN CONNECTION  
THEREWITH**

WHEREAS, the County of Yancey, North Carolina (the "County") desires to complete the construction, renovation and equipping of an historic building to house the Yancey County Public Library, an art and cultural museum, and a state of the art computer information center (the "Project"); and

WHEREAS, it is proposed that the Project be financed through an installment financing agreement (the "Agreement") entered into by the County pursuant to N.C.G.S. § 160A-20 for a term of up to fifteen (15) years, which is expected to be designated as a of recovery zone economic development bonds; and

WHEREAS, the County's intends to designate its obligations under the Agreement designated as "qualified bonds" under Section 54AA(g) of the Internal Revenue Code of 1986, as amended (the "Code") and as recovery zone economic development bonds under Section 1400-U-2(b)(1)(B) of the Code;

WHEREAS, pursuant to Section 160A-20, the County is authorized to finance the construction of the Project, by entering into an installment financing agreement and a deed of trust or other security instrument that creates a security interest in some or all of the property financed to secure repayment of the financing;

WHEREAS, as required by Section 160A-20, the County has this day held a public hearing with respect to the financing of the Project through the Contract, after notice of such hearing was published at least ten (10) days prior to such hearing; and

WHEREAS, Branch Banking and Trust Company ("BB&T") has proposed that BB&T enter into an Installment Financing Contract with the County to finance the Project pursuant to which BB&T will lend the County the amount of \$1,200,000 (the "Contract") under a term sheet dated March 22, 2010 (the "BB&T Term Sheet");and

WHEREAS, the Contract will be secured by a deed of trust and security agreement (the "Deed of Trust") with respect to the improvements financed through the Contract, namely the library;

NOW, THEREFORE, BE IT RESOLVED by the County Commissioners of the County of Yancey, North Carolina, meeting in special session on the 29<sup>th</sup> day of March, 2010

1. The governing body hereby authorizes and directs the Chairman, the County Manager and the Finance Director, or either of them acting alone, to execute, acknowledge and deliver the



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Contract and the Deed of Trust on behalf of the County in such form and substance 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 Contract and the Deed of Trust and attest the same.

2. The proper officers of the County are authorized and directed to execute and deliver any and all papers, instruments, 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 Contract and the Deed of Trust, including any documents necessary to carry out the intent of the Contract and the Deed of Trust,

3. Notwithstanding any provision of the Contract, the Deed of Trust or the Escrow Agreement, no deficiency judgment may be rendered against the County in any action for breach of a contractual obligation under the Contract, the Deed of Trust or the Escrow Agreement and the taxing power of the County is not and may not be pledged directly or indirectly to secure any moneys due under the Contract, the security provided under the Contract and the Deed of Trust being the sole security for BB&T in such instance.

4. The County hereby designates its obligations under the Contract as a "build America Bond" and a "recovery zone economic development Bonds" for purposes of Sections 54AA and 1400U-2 of the Code, and authorizes the proper officers of the County to take such steps and file such forms as may be required in order to receive such tax credits as it may be entitled to under the Code.

This Resolution shall take effect immediately upon its passage.

Adopted this the 29<sup>th</sup> day of March 2010.

Walter Savage, Chairman

Jerri Storie, Member

Johnny Riddle, Member

Attest:

  
J. Jason Robinson, Clerk to the Board of Commissioners