

**TOWN OF SELMA
SPECIAL COUNCIL MEETING
JERNIGAN BUILDING
110 EAST ANDERSON STREET
MARCH 30, 2017**

MEMBERS PRESENT:

Mayor Cheryl Oliver, Mayor Pro-Tem Jackie Lacy, Councilmember William Overby, Councilmember Mark Petersen, and Town Manager Jon Barlow.

Councilmember Tommy Holmes was unable to attend.

Also Present: Al Benschhoff of The Brough Law Firm.

Staff Present: Planning/Economic Development Director Julie Maybee, Fire Chief Phillip McDaniel, and Town Clerk Brenda Thorne.

CALL MEETING TO ORDER:

Mayor Oliver called the meeting to order at 4:30 p.m. and declared a quorum was present.

ECONOMIC DEVELOPMENT INCENTIVES DISCUSSION:

Mayor Oliver stated that Attorney Al Benschhoff of The Brough Law Firm was present. She said that the goal was to give Mr. Benschhoff some direction in terms of what Town Council would like to see in regards to an incentives policy. Mayor Oliver stated that with this information, Mr. Benschhoff could draft a policy quickly, bring back to Town Council, and Town Council could get it implemented.

Mr. Benschhoff presented Town Council with a PowerPoint presentation, which is attached hereto as Appendix A and by reference incorporated herein.

Mr. Benschhoff stated that the most important part of the presentation was the last part, which were questions for Town Council in what it wants to see in an incentive policy.

Mr. Benschhoff stated that the first part was what North Carolina Law says Selma has to do to give people an incentive grant. He said that the North Carolina Constitution states that local government or any government cannot give gifts except to receive a public service. Mr. Benschhoff stated that there was a second part of the North Carolina Constitution that advised that Town expenditures must be made to serve a public purpose. He said that the law that allows local governments to give money away to promote economic development was adopted in 1925. Mr. Benschhoff stated that in 1996 the Supreme Court gave a clear idea of what that means. He said that there are procedures in this statute from 1925 that gives the steps to follow to have a Town incentive. Mr. Benschhoff stated that there should be an economic development policy that sets out the rationale, and what kind of incentives the Town would give for what sort of investment. He said that there needed to be a determination of the net public benefit. Mr. Benschhoff stated that when Town Council approves an incentive grant award, it needs to decide if the public is being benefitted, if the Town is receiving more in

the end than it pays out. He said that there needs to be a notice of a public hearing, a public hearing, and there has to be a written contract about the payment of the incentive. Mr. Benshoff stated that the contract should contain a clause that if for some reason the company does not uphold what it has promised, it would have to give the money back (clawback). He said that the statute has a calculation regarding how much money the Town could have out in grants each year, and the statute has powers for what the Town could do to promote economic development. Mr. Benshoff stated that there other powers and tools outside the statute that the Town could use, such as structuring its utility rates to promote certain industry. He said that the Town also has zoning, code enforcement, tax services, road extensions, and utility powers, which can promote economic development.

Mr. Benshoff stated that he had questions for Town Council to consider:

- What were the principles of the policy?
- Who is the target market?
- Who receives the incentive?
- What is the minimum number of jobs that need to be created?
- What is the minimum amount of investment that needs to be made?

Mayor Oliver stated that Johnston County's incentive program gives seven years on new real property investments starting at 90%, and down 10% each year after. She said that they also do 50% on equipment for five years.

Mr. Benshoff stated that was a common incentive program in towns and counties across the State.

Town Manager Barlow stated that the model presented was for mostly new construction and the creation of new jobs. He asked if the model Mr. Benshoff presented would fit for something that already exists.

Mr. Benshoff stated that it would if it was new investment. He said that when someone purchases an empty building, there is usually rehabilitation and new equipment, which increases the value. Mr. Benshoff recommended that Town Council have a sliding scale on its incentive policy.

Mayor Oliver requested Mr. Benshoff to prepare a draft incentive policy for Town Council's review.

Mayor Oliver thanked Mr. Benshoff for attending tonight's meeting.

SELMA EMS:

Mayor Oliver stated that the understanding was that on July 1, 2017, there would be a merger between Selma EMS and Johnston County EMS. She said that the merger was administrative in nature, and the operations would continue as is including the use of the Selma EMS building. Mayor Oliver stated that was where the Town would be contacted, and Johnston County Commissioner Ted Godwin has agreed to provide the lease contracts that are in place with other towns for their buildings. She said that current

employees would have to reapply to formally become a Johnston County EMS employee.

**APPROVAL OF EXCERPT
OF MARCH 14, 2017
MINUTES:**

Town Manager Barlow stated that at the last regular meeting, a public hearing was held for consideration of a Community Development Block Grant – Infrastructure (CDBG-I) Project for Ricks Road Sewer Improvements. He said that an excerpt of the Minutes needed to be included in the paperwork due to the Wooten Company on April 12, 2017.

A motion was made by Councilmember William Overby and seconded by Councilmember Mark Petersen to approve the portion of the Minutes regarding Consideration of a FY15 Community Development Block Grant – Infrastructure (CDBG-I) Project for Ricks Road Sewer Improvements. Motion carried unanimously.

ADJOURNMENT:

With no further business, the meeting adjourned at 5:18 p.m.

BRENDA W. THORNE, Town Clerk