

DATE: 5/11/21 FILE NO: DATE511
TO: Cherokee County Council
SUBJECT: Minutes of Planning Workshop, 5/10/21

There was a Planning Workshop Monday, 5/10/21, 4:10 PM in Council Chambers. Chairman Tim Spencer presided and lead in prayer. All council members were present along with Administrator Steve Bratton, Attorney Joe Mathis & Master Clerk Doris Pearson. The news media was informed by agenda and it was posted in accordance with the SCFOIA. One news media was present. There were 4 visitors.

Councilman Tracy McDaniel made the motion to adopt the agenda of the Planning Workshop for Monday, 5/10/21 as received. Mike Fowlkes seconded and council voted in favor.

Councilman Lyman Dawkins made the motion for council to go into Executive Session at 4:12 PM for two matters: 1) Section 30-4-70(a)(2) discussion of negotiations incident to a proposed contractual matter; and 2) Section 30-4-70(a)(5) discussion of matters relating to the proposed location, expansion, or the provision of services encouraging location or expansion of industries or other businesses in the area served by the public body specifically "Project Gateway". David Smith seconded and council voted in favor.

Councilman David Smith made the motion to come out of Executive Session at 6:43 PM and enter back into the Planning Workshop. Lyman Dawkins seconded and council voted in favor. Administrator Steve Bratton stated that no vote or action was taken during Executive Session.

Administrator Steve Bratton showed a power point going over highlights, some were discussed in Executive Session – Project Gateway, Broadband Initiative, Recreation Facilities, Public Works Complex, State Agencies Facilities & Airport. **Project Gateway** - along Cherokee County interstate, we have been missing sewer lines in a lot of places and that is why there is not much industries locating there. Once you get toward Blacksburg you see the absence of gravity sewer which is also the reason for not much development. Eastern portion of Cleveland Co. as you get toward Gaston Co. has gravity fed sewer and that is why you see a cluster in Cleveland Co. of industry located in that area. All this speaks directly to Project Gateway.

Recreation – Midway Complex is our main recreation area in the county. We also own the fields at the Ford Complex. Playing surfaces at Midway are in good shape. Johnny & Marcus got prices back in 2019 for repairs to the Midway Complex. I have a list of things they would like to do and it is just over \$1 million. Pricing included replacing the existing fencing; 8 new dugouts – 10'x25' with all fabric shade covers; 8 new bullpens – 2 on each field along each sideline, 10x72; extend 1 field by 50' and another field by 100'; add outlet & hydrant at each dugout; new bleachers for seating & ADA compliance with sunshades; 30x35 sunshade beside the concession area to provide shade for those wanting to snack there; handicap spaces behind the cedar trees. Johnny Humphries stated that they had 17 teams there this past weekend with about 500 to 600 people present. We also need more

Bathrooms (especially ladies) and extending those two fields will help us accommodate two baseball fields that will allow older groups to be able to play on those fields. We could accommodate up to 14 yrs. old. The supply doesn't meet the needs; we don't have enough fields to meet the demands. I can't grow these sports if we don't have the facility to supply. A lot of our local kids play both at home and travel ball. Mike Fowlkes asked what does the \$219,000 include? Steve replied the quote will include fine grading, outfield soil, sod, moving fences, moving scoreboards and adding lighting as needed per recommendation, etc. We are assuming the work will begin with good dirt close to needed grading. Mike Fowlkes replied I feel the next step forward is to get updated prices. Steve replied I figured my numbers at \$3 million and that includes putting a splash pad at this facility and also something at the Blacksburg facility where the town has committed to build a new park.

Love Field – the price to repair that field is around \$310,000. We want to demo the existing concrete; put in new bleachers that are ADA compliance with a place to have a wheelchair with a shade cover over it. Steve replied all I am proposing here tonight is the needs for the current recreation facilities to bring them up to standards & appearance. David Smith stated fixing up the facility is not only for travel ball but it is for our kids here, they will benefit as well. We have such a good location and we need to fix it up.

Potential Revenue Source – we are missing out on the county wide local hospitality tax. As you know there are local hospitality taxes currently inside the incorporated limits of the City of Gaffney & Town of Blacksburg. In 2019, City of Gaffney generates between \$1.3 to \$1.5 million/year; Town of Blacksburg generates between \$130,000 to \$150,000/year. I have a list of restaurants that are in the un-incorporated areas. We can't go into the City unless they say they will give us 1% of theirs. City of Gaffney & Town of Blacksburg city limits are out-of-bounds. We have a list of restaurants that I thought was in the City & Town but are not (Fatz's, Burger King on Hyatt St., QT on Hyatt St., every gas station that sales fountain drinks are subject to the LHT; if there is a grill in these areas, they are subject to the tax. The money collected has to be spent according to the law on tourism, cultural, recreational or historic related. This is my proposal, rather than levying a tax onto the milage, we put something like this in place that will take advantage of the Interstate that travels through here at Exit 104, Exit 106, Baileys Fish Camp, etc. This would spread the burden of helping us to improve our facilities. The traffic on interstate will grow once this Casino is built. In the past in these areas, there has been \$11 million in sales that we could have received hospitality tax from and at 2% that would have been \$220,000. I feel once we check into this it should wind up at around \$300,000. I am proposing that we implement a local option sales tax and we leverage that money to assist the Recreation District in floating some sort of a bond to expand their facilities at the Midway Complex. **You have two different needs: 1)** the immediate needs at the existing facility as it stands. [Mike Fowlkes had to leave the meeting at this time 7:07 pm to go to work. He stated before he left that he is pro-recreation. I feel we should improve the things that we have before we have future conversations about new ballfields, etc. I look forward to seeing the updated numbers.]

Councilman Quay Little asked Steve if he has talked with Attorney Mathis in regards to what you are proposing with the hospitality tax that you will be obligating a council going forward that may get us in a situation. Steve replied I have consulted with Attorney Lawrence Flynn, who is our bond council and Attorney Mathis is aware and has full confidence in Lawrence. He gave me the advice that we are completely within the law to do this. We just have to be certain that when we do so that our language is such that it falls within these lines stating we are using this to pay the bond and be very specific what that bond is and what it is used for. Quay Little then asked you said the City generates \$1.3 to \$1.5 million/year? Johnny, how much does the City give you of that? Johnny replied this past year with COVID they gave us \$20,000; the year before that they gave us \$30,000. Quay replied I have looked at several different options as well. One being the Library, they get the same milage as the Recreation gets. Should we ask them if they could absorb a 1 mill loss and give it to the Recreation District to help with their immediate needs. Tim Spencer asked if we borrow money from a bond wouldn't it be earmarked? Steve replied I would be proposing that the Recreation District borrow the money. Quay stated that the next council coming forth may want to change where that local hospitality tax goes. Steve replied if we go the route that I am proposing, this takes the tax burden off of our taxpayers and helps fund the Recreation District. Folks driving through here on I-85 helps pay this bond by paying their hospitality tax. Most of this will increase inside the city limits and that is why I had my conversation with James Taylor. Steve replied if we allow the Recreation Dist. to float this bond, then this body will oversee the way it is spent. Johnny Humphries stated that travel ball is becoming a million-dollar business and if we build the complex better, they will come and bring in the revenue. Quay stated that you all have stated that nothing has happened to enhance the Recreation Facility out there since 1997; but I just want to ask how much did that new Administration Bldg. cost out there? Tim replied it was \$450,000 loan the county gave them and they are paying us back about \$35,000/yr. Steve replied I am going to propose that council forgive them that debt and allow that money in conjunction with this money to upgrade the facility out there. Tim Spencer asked Johnny who operates the concession stand and gets the entrance money during these tournaments? Johnny replied whoever is putting on the tournament. We don't charge them because we are hoping they will come here and put on these tournaments and we will benefit from the hospitality taxes. If we charge them an outrageous price, then they will go elsewhere. If we had a brand-new facility and new grass fields, I could probably charge somewhere between \$40 & \$70/team. The tournament that is running it, still gets the gate. There is a lot we would have to do to run the gate so right now we just let the person putting it on get the gate to get them to come.

Administrator Steve Bratton reported on other projects: **Airport** - until we find property for the airport, I'm treading water on that project. **State Agency Facility** - (Buford St. Drug Store/Ace Hardware) we purchased it and are probably a year or two out on that but we know that is coming as a big project. **Public Works Complex** – we've talked about it and again it is a big project. **Project Gateway** – we discussed this in Executive Session. I'm estimated it to be a \$10 million cost. The source of those funds is American Rescue Plan - \$8 million; RIA & Grants - \$2 million. We hope that Broadband will happen hopefully soon and will be funded by the American Rescue Grant for \$2 million; **Recreation Facilities** –

\$2½ million is funded by fund balance & hopefully \$1/2 million grant monies; **Public Works Complex** - \$14 million to be funded by bond, fund balance & state funds; **State Agencies** – DSS, DHEC, DJS & Probation & Parole – estimated at \$3 million which would come from bond monies. We have \$11 million in bond money. PW Facilities & State Agencies take up the bond money. **Airport** – this is about 3 or 4 years down the road. We may have a little funds left over in American Rescue Plan for that and the rest will be funded possibly fund balance or either any grants available. Remember on grants, whatever we spend has to be 5% of the total project. All projects together total \$36½ million. Some of those we don't have hard numbers on yet; some are just commitments that we need to make. I'm not asking council to commit to anything tonight; a lot of these are 4 years down the road. Chairman Spencer replied I hope you have a plan for that \$36½ million? Steve replied you have \$11 million in bond money; \$11 million in American Rescue Fund that equals \$22 million which leaves you with \$14 million and I have a lot in grants - \$3½ million in state grant money and that number may grow. Chairman Spencer replied we need to remember that we should keep a fund balance in the bank in case of an emergency. Steve replied I am aware of that and remember I said a lot of these projects are 3 to 4 years down the road so we would have time to prepare for those. This does not include 4 new playing fields at the Midway Complex or anything like that. I have \$2.5 million for Recreation which includes the items discussed earlier plus possibly some sort of splash pad and something to address the needs at Blacksburg. Tracy McDaniel replied it also does not include the \$20+ million of road improvements that we recently identified. I for one don't want to add more tax on our people; we need to be very careful on taxation. All these projects are very important and we have a lot to plan for. Steve replied a lot of these projects were identified in your long-range plan and that is what we are doing tonight, discussing the needs of the county and a lot of these are just a one-time expenditure which are not ongoing recurring expenditures that we would have to tax for. I not proposing that we spend one dime of our fund balance right now, just making you aware that if you want to do this right now, this is where you are. Quay Little asked how much is your capital fund balance in the budget? Steve replied \$1.3 million. These capital items listed in the budget are on-going capital needs that our departments need every year. Also, the airport fund balance & economic development fund balance are in the budget. The most complex project on this list is the airport; 2nd - Project Gateway; and from there it all falls in with Broadband, Public Works Complex, State Agencies building and Recreation Facilities. I believe Project Gateway is the biggest priority we have in the county as far as the future of the county and is the highest return for our citizens.

As there was no other business to come before council at this time, Chairman Spencer adjourned the meeting at 7:40 PM.

APPROVED: 5/17/21

BY ITS CHAIR: Tim Spencer

Respectfully submitted,

Doris F. Pearson, Master Clerk to Council