

BOARD APPOINTMENTS

Chair Cole said that they needed to appoint individuals to the following Boards:

1. **Planning Board**: With the election of Wallace Nelson to the Board of Commissioners, Mr. Nelson will no longer be able to serve on the Planning Board. Therefore, the Board will need to appoint someone to complete his term which is due to expire on November 30, 2016. Board action is being requested.
2. **Albemarle Commission**: Since Tammy Miller-White is no longer a Commissioner, the Board will need to appoint her replacement on the Albemarle Commission Board effective December 1, 2014. Board action is being requested.
3. **Northeast Workforce Development Board**: Mr. Steve Magaro resigned from the Northeast Workforce Development Board effective October 12, 2014. The Board will need to appoint someone to complete his term which expires on June 30, 2016. Board action is being requested.
4. **Board of Adjustments**: Johnny Corprew and Dianne Layden have resigned as Alternates to the Board of Adjustment effective October 13, 2014 and November 13, 2014, respectively. The Board will need to appointment someone to complete their terms: Johnny Corprew – September 30, 2017 and Dianne Layden – October 31, 2016. Board action is being requested.
5. **Alternate – Rural Transportation Advisory Committee**: We received a letter from Angela Welsh, RPO Planning Director, requesting the Board to appoint an alternate to the RTAC to assist with having a quorum for their meetings. Board action is being requested.

On motion made by Edward R. Muzzulin, seconded by Kyle Jones, the Board unanimously approved the appointment of Fondella A. Leigh to the Albemarle Commission and Matthew Peeler as the Alternate on the Rural Transportation Advisory Committee. The other appointments will be made next month along with the new Commissioners appointments.

BANK RESOLUTION/SIGNATURE CARD/USE OF CHAIRMAN’S STAMP

Since there was no change in the Chair, this matter was tabled until January, 2015 when we will be making a change in Finance Officer in February.

VOTING DELEGATE – LEGISLATIVE GOALS CONFERENCE

The Legislative Goals Conference is being held in Raleigh on January 15-16, 2015. At the present time, the only person attending this conference is Commissioner Peeler. On motion made by Edward R. Muzzulin, seconded by Kyle Jones, the Board unanimously appointed Matthew Peeler to be the Voting Delegate at the Legislative Goals Conference in January, 2015.

PUBLIC COMMENTS

Sharon S. Ward asked if the Wind Turbine Study is available to the public. Chair Cole asked Mary Hunnicutt to provide Ms. Ward a copy.

ADJOURNMENT

There being no further comments or business to discuss, the Regular Meeting was adjourned at 9:00 p.m. on motion made by Edward R. Muzzulin, seconded by Matthew Peeler.

Janice McKenzie Cole, Chair

Clerk to the Board

SPECIAL CALLED MEETING
December 15, 2014
7:00 p.m.

The Perquimans County Board of Commissioners met in a Special Called Meeting on Monday, December 15, 2014, at 7:00 p.m. in the Commissioners’ Room located on the first floor of the Perquimans County Courthouse Annex.

MEMBERS PRESENT:	Janice McKenzie Cole, Chair	Edward R. Muzzulin, Vice Chairman
	Kyle Jones	Fondella Leigh
	Wallace Nelson	Matthew Peeler

MEMBERS ABSENT: None

OTHERS PRESENT:	Frank Heath, County Manager	Mary Hunnicutt, Clerk to the Board
	Hackney High, County Attorney	

After the Chair called the meeting to order, Commissioner Muzzulin led in prayer and the Chair led the Pledge of Allegiance. Chair Cole stated that the purpose of this Special Called Meeting was to complete the discussion on the Iberdrola/Perquimans Amendment to Economic Development Agreement and take action on such matter.

AGENDA

On motion made by Edward R. Muzzulin, seconded by Matthew Peeler, the Board unanimously approved the Agenda.

IBERDROLA/PERQUIMANS AMENDMENT TO ECONOMIC DEVELOPMENT AGREEMENT

Chair Cole recognized Craig Poff, Director of Business Development for Iberdrola Renewables, who reminded the Board of why he was coming before the Board. He stated that he was requesting a two-year amendment and also on some terms of the existing 2011 Agreement, adjustment to the tables to take into account the change of tax rate, and to adjust the dates throughout the Agreement. At the last meeting, there were some questions that he was unable to answer because he had to go to Pasquotank County Commissioners’ meeting to request the same amendment. Chair Cole asked if there were any questions from the Board. The following questions/comments were made:

- **Chair Cole:** Ms. Cole asked that, even with the reduction in their initial investment, would they still provide 200 to 300 jobs during construction. Mr. Poff said that it would but for less time, maybe 12 to 18 months.
- **Edward R. Muzzulin:** Mr. Muzzulin asked about the tax rate Mr. Poff mentioned which has not changed. Mr. Poff said that he thought that it had changed about a mil or two. County Manager Heath said that it had increased about two cents since the original Agreement was signed. Mr. Muzzulin asked that, after the revaluation, will they come before the Board again to request an amendment. Mr. Poff said that they would not because they made some adjustments/assumptions in the tax table to allow for inflation. Mr. Muzzulin asked what the adjustments/assumptions were. County Manager Heath said that they adjusted for inflation. The table went up from ½ cent to 1 cent in the table per year. After Mr. Heath looked at the table and considering the rate that we may see from the revaluation and determined that we should be in good shape. Mr. Muzzulin asked to clarify that the County or Iberdrola would be in good shape. Mr. Heath said that the County would be in good shape. Mr. Heath was glad that this came up and, if they come back after the revaluation for another amendment, he could pretty well guarantee that it would not be approved.
- **Matthew Peeler:** Mr. Peeler asked the following questions:
 - Mr. Peeler stated that the original plan had 68 proposed turbines. We are now down to 30. Do you think that they will build back up to the 68? Mr. Poff said that they are shooting between 150 to 300 megawatts. Mr. Peeler further asked that his initial cut on this is that for a 300 megawatt system it would require a \$600 million input. Our projected fair share market based on turbines only would be about \$240 million. His concern is that this was for 68 turbines and now he is requesting 30 turbines which would bring the amount to about \$150 million. Mr. Poff said that they will be bringing in a \$150 million investment with no additional costs to the County. They are not bringing in school children or additional burdens on water/sewer systems. What they will be bringing is more jobs, improved road access to the desert area which make the landowners happy, and an investment of \$1 million per year in landowner royalties. Mr. Poff encouraged Mr. Peeler to look at the overall benefits and to understand that these changes make the North Carolina system more appealing to the investors.
 - Mr. Peeler asked who has the final say if an impasse comes across - the farmer or Iberdrola. In Mr. Poff's opinion, the agreement does not allow for any impasses. Therefore, he does not foresee any problem in this matter. The reason Mr. Peeler is looking at this is because he wants to protect the farmer. Mr. Poff said that these are leasehold agreements. They do not own the land. Chair Cole said that this is a contractual agreement between the landowner and Iberdrola and the County does not need to get involved in that matter.
 - Mr. Peeler further stated that the Statute that we are using to allow this should be used for industrial enterprises. He is wanted to make sure that we are not getting into commercial and that the farmer needs to be protected. Mr. Peeler asked which of the 68 turbines are being built and which ones are going to be built over time. Chair Cole said again that this is going beyond the measures that the Board is considering tonight.
 - Besides the tax investment and jobs, what other benefits will the County receive? The additional money flowing into the county, well-paying jobs, maintenance services, road improvements, etc. These services will be provided by local contractors.
- **Wade Pierce:** After talking with a Commissioner from Pasquotank County, Mr. Pierce asked Mr. Poff if the wind turbines now are more powerful and that is the reason why they are reducing the number of turbines. Mr. Poff said that was not true. Mr. Pierce brought up the concerns that they had about deer population destroying his crops. He said that the DMAP permit is only issued after the hunting season is over and the crops are beginning to grow. He showed a picture of bears that were seen on US Highway 17 during the day. This proves that the animals are moving further from the wooded areas. He further stated that he wants help with removing the animals to assist with the destruction of his crops. He provided a list of farmers that have had significant damage to their crops.
- **Chair Cole:** Ms. Cole asked that this increase in animal population is happening across the area because of many reasons including the cutting down of timber and she feels that we are placing blame on one area that doesn't allow hunting. She cannot speak for the Board but just feels that we do not need to get into hunting rights. Mr. Pierce said that he is just asking for help with the control of the animal population.
- **Matthew Peeler:** Mr. Peeler asked if Mr. Pierce had made an agreement with Iberdrola. Mr. Pierce said that they have not.
- **Commissioner Nelson:** Mr. Nelson asked if the original agreement was for 15 years. This renewal that ends next year - was that the renewal that was part of the 15 years. County Manager Heath stated that they had to make an initial investment by the end of 2015. The extension will be for 2 years to get it started.
- **Wade Pierce:** Mr. Pierce asked that the original agreement gives Mr. Poff until December of 2015 yet he does not have a purchase power agreement. Chair Cole said that Mr. Poff did not say that. He said that he did not have anything to announce at this time. If he has twelve months, Mr. Pierce asked the Board not to delay anything but ask that they think about the farmers when they make the decision.
- **Kyle Jones:** How much money we will be losing and when do we start losing the Medicaid Hold Harmless funding. County Manager Heath said that the State Legislature cut this year \$150 thousand, \$150 thousand next year, and another \$150 thousand for two more years.
- **Matthew Peeler:** Mr. Peeler asked this question at the last meeting but Mr. Poff did not have an answer for him then. The question was in all his other wind properties did they have problems with hunting on these properties. Mr. Poff said that he still does not have an answer for him. Chair Cole said that it was her understanding that this resulted from a complaint from the landowner. Mr. Poff said that it is only one parcel of land that is restricted. Mr. Peeler asked which parcel and Mr. Poff said that it was the Weyerhaeuser property. There are people hunting in this area but they only allow certain types of hunting.
- **Wade Pierce:** He cited a quote from the Perquimans Weekly that Mr. Poff felt that the reason why they needed to lease the land because they were afraid that their workers would be shot at. Mr. Poff said that he did not say that. If this was the case, why wasn't the other land also rented where the turbines would go. Mr. Poff said that was not the case.

Chair Cole called for a motion. Kyle Jones said that, hearing what Wildlife Officer Beardsley said, he feels that this problem can be rectified by shooting the deer and doing whatever you have to do to fix the problem. He feels that we need this extra \$150 thousand due to the upcoming reduction in Medicaid Hold Harmless funds. He said that it will have to come from the taxpayers by raising the tax rate or for from someone like Iberdrola that is willing to pay the money. He does feel that a person has a right to do whatever he wants to do on his land as long as it is not necessarily burdensome to others. He does not feel that this falls in this category and feels that the benefits here are too valuable to stop from happening. Therefore, Mr. Jones made a motion to approve this amendment to the Economic Development Agreement as requested by Mr. Poff. The motion was seconded by Edward R. Muzzulin. Matthew Peeler asked if they could amend the motion to change where it says jobs "or" revenue. He would like to change it to say jobs "and" revenue. Kyle Jones said that, procedurally, it would have to be made in a motion to amend the original motion. Therefore, Mr. Peeler made a motion to amend the motion to approve this amendment to the Economic Development Agreement with changing the word "or" to "and". Mr. Poff asked where Mr. Peeler was reading. Mr. Peeler was reading from the Public Hearing Notice. County Attorney High said that the Agreement has already been passed and all that the Board is considering tonight is the amendments to that original Agreement. Just the amendments are what are on the floor now. As Commissioner Jones indicated, a motion to amend the original motion is needed and that he understands that this is what Commissioner Peeler has made and we are waiting for a second to that motion. Chair Cole asked Mr. Poff if he was willing to change the wording from "or" to "and" and he said that he was not. Chair Cole asked for second for the request to amend the motion. There being none, the motion to amend the original motion died due to a lack of second. The original motion to amend the following Agreement was approved by the Board by a vote of five (5) to one (1) with Commissioner Peeler voting against the motion:

RESOLUTION OF THE BOARD OF COMMISSIONERS, PERQUIMANS COUNTY
*Authorizing County to Pay Economic Development Incentives and to Sign Amendment to
 Economic Development Agreement*

Background. Atlantic Wind, LLC ("**Company**") and the County entered into an Economic Development Agreement dated April 26, 2011 ("**2011 EDA**"), to induce the Company to construct a wind energy facility, including wind turbines, transmission lines, electric substations, roads, and related buildings spanning an area that is in the County and Pasquotank County and to acquire and install equipment related to the wind turbines at the facility (the "**Project**"). To locate the facility in the County and in Pasquotank County, the Company would lease and/or purchase land in those areas from landowners. As part of the facility, the Company expects to make expenditures in the County of at least \$100 million.

As a result of certain developments since the parties entered into the 2011 EDA, the Company has requested that the County agree to amend the 2011 EDA to extend certain deadlines in the 2011 EDA and to modify the grant percentages in **Exhibit A** of the 2011 EDA. The Company

has informed the County that if the County does not agree to those amendments the Company will not locate the Project in the County. The County agrees to these amendments in order to induce to the Company to continue seeking to develop the Project in the County.

The incentives provided to the Company under the amended 2011 EDA will provide substantial benefits to the County and its residents and businesses. The Board of Commissioners deems it desirable and in the best interests of the County and its businesses and residents to agree to the proposed amendments and to enter into an amendment to the 2011 EDA with the Company.

Resolution. The Board of Commissioners of Perquimans County, North Carolina, resolves as follows:

1. The Board of Commissioners approves appropriating and spending from the County's general fund amounts to make the following annual, cash grants to the Company:

(a) Cash grants, for a term of up to 15 consecutive years, equal to 70% of the real property taxes paid to the County with respect to the facility each year (both directly by the Company and indirectly by a lessor of the real property on which the facility is located if there is an increase in that lessor's real property taxes as a result of the facility and the Company reimburses that lessor). Those payments are more specifically described in the 2011 FDA as amended by the draft amendment attached to this Resolution as **Exhibit A ("Amendment to Economic Development Agreement")**; and

(b) Cash grants, for a term of up to 15 years, equal to a percentage of the personal property taxes the Company pays to the County each year, such amounts being more specifically described in the 2011 EDA as amended by the Amendment to Economic Development Agreement.

2. To implement these incentives and the Company's associated refund obligations, the Board of Commissioners hereby approves the attached Amendment to Economic Development Agreement and authorizes the Chair of the Board of Commissioners and the County Manager (or either of them) to execute that Amendment to Economic Development Agreement on the County's behalf and to take all actions necessary or appropriate to implement the actions and grants required by that Amendment. The Board of Commissioners also authorizes the Chair of the Board of Commissioners and the County Manager (or either of them), before executing the Amendment to Economic Development Agreement, to negotiate and approve changes to that Amendment to Economic Development Agreement's language that would not increase the amounts of the cash grants the County is required to pay the Company, or decrease the amount the Company is required to refund to the County, under the attached Amendment to Economic Development Agreement.

This 15th day of December, 2014.

Janice McKenzie Cole,
Chair, Board of Commissioners, Perquimans County

Exhibit A
Amendment Economic Development Agreement
Amendment to
Economic Development Agreement

Perquimans County, a political subdivision of the State of North Carolina ("**County**"), and Atlantic Wind, LLC, an Oregon limited liability company ("**Company**"), enter into this Amendment to Economic Development Agreement ("**Amendment**") as of _____ 2014 ("**Amendment Effective Date**").

Background. The parties entered into an Economic Development Agreement dated [April 26,] 2011 ("**2011 Agreement**"), to induce the Company to construct a wind energy facility, including wind turbines, transmission lines, electric substations, roads, and related buildings spanning an area that is in the County and Pasquotank County and to acquire and install equipment related to the wind turbines at the facility (the "**Project**"). To locate the facility in the County and in Pasquotank County, the Company would lease and/or purchase land in those areas from landowners. As part of the facility, the Company expects to make expenditures in the County of at least \$100 million.

As a result of certain developments since the parties entered into the 2011 Agreement, the Company has requested that the County extend certain deadlines in the 2011 Agreement and to modify the grant percentages in **Exhibit A** of the 2011 Agreement. The County has agreed to do so on the terms of this Amendment in order to induce to the Company to continue seeking to develop the Project in the County.

Pursuant to the authority of the Local Development Act of 1925, North Carolina General Statutes §158-7.1 *et seq.* ("**Act**"), the County has agreed, after having conducted a public hearing and having made all findings and determinations required by law, to modify the incentives described in the 2011 Agreement in order to induce the Company to continue its development activities with respect to the facility, to construct the facility, to locate certain equipment at the facility and to facilitate the creation of certain jobs at the facility.

In connection with the facility construction, the Company will engage local and regional contractors and will purchase supplies from businesses in the County and the region as the Company determines appropriate.

It is anticipated that the Company's capital investment in the facility and its operations of the facility will generate significant *ad valorem* property tax revenues to the County. That additional revenue constitutes a material part of the financial basis for the County's entering into this Agreement.

The development of the facility is expected to result in the creation of at least eight new full-time jobs at the facility, at an average compensation of approximately \$80,000 per year, and at least 200 construction jobs for a period of approximately nine months during the construction of the facility. The people holding those full-time jobs would be employed initially by contractors providing warranties and services to the Company and would eventually be employed by the Company.

The Company acknowledges that but for the County's providing the economic development grants and other incentives in the 2011 Agreement and this Amendment, it would not have agreed to locate a portion of the facility in the County, to make the associated investment in the County, or to enter into this Amendment.

In consideration of the mutual promises in this Amendment and the 2011 Agreement and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties agree as follows:

1. The date December 31, 2015, is hereby changed to December 31, 2017, in each place it appears in the 2011 Agreement, including the Background statement and Sections 2.a, 3.a.ii, 4.a, 4.b, 4.e and 7.c.
2. The year 2042 in Section 3.b of the 2011 Agreement is hereby changed to 2044.
3. The year 2016 in Section 4.e of the 2011 Agreement is hereby changed to 2018.
4. The initial percentage for Personal Property Tax Grants in Section 3.a.ii of the 2011 Agreement is hereby changed from 70.8% to 66.91%.
5. The amount of \$240 million in the Background statement, in the definition of "Minimum Initial Investment" in Section 1, and in Section 4.b of the 2011 Agreement is hereby changed to \$100 million.
6. Exhibit A to the 2011 Agreement is hereby replaced with Exhibit A attached to this Amendment.
7. Except as expressly modified by this Amendment, the 2011 Agreement remains in full force and effect.

The parties execute this Amendment to Economic Development Agreement as of the Amendment Effective Date.

ATTEST:

Perquimans County

, Clerk
The Board of County
Commissioners

By: _____
Chair, Board of County
Commissioners

Date: 12/17/2014

Atlantic Wind, LLC,
an Oregon limited liability company

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

This Amendment to Economic Development Agreement has been pre-audited the extent, and in the manner, required by the **Local Government Budget and Fiscal Control Act.**

Sharon S. Ward
Perquimans County Finance Officer, on
behalf of the County

W. Hackney High, Jr.
Perquimans County Attorney

The Perquimans County Board of Commissioners approved this Amendment to Economic Development Agreement at its meeting held the 15th day of December, 2014.

Chairman, Board of Commissioners

Exhibit A

Perquimans County
Personal Property Grant Schedule

YEAR	GRANT PERCENTAGE
Year 1	66.91%
Year 2	64.29%
Year 3	60.60%
Year 4	60.34%
Year 5	58.85%
Year 6	59.21%
Year 7	57.07%
Year 8	55.87%
Year 9	53.37%
Year 10	46.45%
Year 11	37.79%
Year 12	27.21%
Year 13	12.28%
Year 14	0.00%
Year 15	0.00%

ADJOURNMENT

There being no further comments or business to discuss, the Special Called Meeting was adjourned at 7:40 p.m. and the Regular Work Session began on motion made by Edward R. Muzzulin, seconded by Matthew Peeler.

Janice McKenzie Cole, Chair

Clerk to the Board
