

The Russell County Commission
Meeting Minutes
December 22, 2010
9:30 A.M. EDT

Public Comments

Scott Holmes updated the public on the Russell County Judicial Building Project and introduced general contractors that were awarded the contract to oversee the construction project.

Roger Martin representative of the Chattahoochee River Warden Organization discussed the Landfill Public Hearing which had been set for January 10, 2011.

Dr. Janet Jackson announced a Season for Sharing Dinner that will be held Christmas Day at Pleasant Grove Baptist Church for the public and those who are housebound.

An adjourned meeting of the Russell County Commission was called to order. Members present were: Chair Peggy Martin, Vice Chair Gentry Lee, Tillman Pugh, Ronnie Reed, Cattie Epps, and Larry Screws. Mervin Dudley was absent due to illness. Also present were the County Attorney Kenneth Funderburk and the County Administrator LeAnn Horne, who kept the minutes.

A quorum was established.

The invocation was given by Steve Pace, the Associate Pastor of Summerville Baptist Church.

Commissioner Pugh led the Pledge of Allegiance.

Chair Martin requested a motion to approve the agenda. Commissioner Lee motioned to approve and was seconded by Commissioner Reed. The vote was unanimous.

Chair Martin welcomed elected officials, department heads, media and visitors. She also thanked all the businesses that donated gifts to be given away to needy area children, which will follow the Commission Meeting.

Chair Martin requested a motion approving the December 8th, 2010 meeting minutes. Commissioner Epps motioned to approve the minutes. Seconded by Commissioner Reed. There were four votes approving the minutes and one abstention from Commissioner Lee, who was absent at that meeting. The motioned passed.

The District 6 appointment for the Human Resource Board expires December 28, 2010. Commissioner Lee stated he had talked to Commissioner Dudley, who is ill today, and he requested to reappoint Jack Sanders for his District 6 board position. A vote was not necessary for the reappointment; therefore, he will remain on the board for another 6 year term.

James McGill, Economic Developer from the Chamber of Commerce, presented a tax abatement request for Dr. Sajid Ahmed who would like to build a commercial development on County Road 18. The tax abatement was presented to the Commission before; but the Commissioners had questions and asked for amendments to be made to the agreement. Dr. Ahmed has submitted to these requests.

- Russell County will be reimbursed if the development moves out of the taxing authority
- Business sales taxes will be paid; the abatement request is only on construction costs of phase 2.
- Phase 1 will be fully taxed.
- The abatement would expire October 2013 and at that time be fully taxed.

Phase 1 is a \$1.1 million convenience store and dry cleaners. Phase 2 will be a 13,800 square foot strip mall at the cost of \$1.5 million and the requested abatement is on this phase. Both phases could be constructed at the same time.

Commissioner Reed: How many jobs would this development provide for Russell County?

Mr. McGill: Phase 2 should generate the County \$1.5 million dollars in sales.

Attorney Funderburk: Has the amendment to the agreement been made?

Mr. McGill: It will be. The documents before you do not have the changes you are working on.

Attorney Funderburk: The non-annexation agreement must be on the document only applies to Phase 2.

Mr. McGill: I would like for your help for reimbursement to Russell County should they move out of the taxing authority. I would like for the language to be exactly as the Commissioners have requested for the non-annexation agreement for the abatement.

Commissioner Epps: I need a clarification about the annexation into the Phenix City. This only applies to Phase 2; so, that means he can annex in Phase 1?

Mr. McGill: If he takes the abatement; it could be stated that Phase 1 cannot be annexed into the City also. I want to make certain Russell County will be reimbursed for any expense(s) should annexation into the City occur. I would like for the County Attorney to also help place that into the agreement if the County allows the tax abatement on Phase 2.

Attorney Funderburk: Phase 1 will not get the abatement; therefore, it only applies to phase 2. The language in the agreement is close. After we know what the company will approve; then, we will adjust the language accordingly.

County Engineer Larry Kite: I haven't heard any discussion about road improvements, but there has been discussion in the past concerning development requirements. I want to clarify that there is nothing involved in this agreement today concerning the required road improvements.

Mr. McGill: There is. The developer will not handle ingress/egress into the property. That would be handled by others.

Commissioner Pugh: How much would that cost?

Mr. McGill: \$45,000 to \$60,000 to estimated construction.

Commissioner Pugh: We have denied developers down the road the ability to have access on certain roads and they were told by us and the State, they had to pay to gain those rights.

Mr. McGill: That has been discussed. The County has 6,000 to 10,000 car(s) a day traveling on County Road 18; on this road there are 200 that travel that road. We don't have a tenth of 1% of turning movement. This is truly a County problem, just because we place a store on the corner it will not add or change to what needs to be done.

Commissioner Pugh: I was waiting for a motion and a second; I will make my comment now. It's simple, I think we are leaving the industrial manufacturing base and getting into a retail base, is something that this county or any other county has done. I know certain businesses and others that have asked for abatements for improvements or locating business and were denied. If we approve this abatement we need to approve all businesses that request one.

Commissioner Lee: My concern is why we would abate construction sales tax. If your figures are right, \$65,000 in tax abatement and \$60,000 in road improvements, we are giving this business \$125,000.

Mr. McGill: I disagree on the road improvement.

Commissioner Lee: If it wasn't there we would not do it.

Mr. McGill: If you ride down there you will see the difference in 600, 800 or 10,000 cars. That would be your decision.

Commissioner Epps: I offer the motion we accept recommendation from the County's Economic Development Representative who we pay to bring in jobs. The only way to get jobs is to give in order to receive. This County needs jobs.

Commissioner Reed: I want make sure we get enough revenue. County needs revenue and we are not able to keep running the County Government this way.

Mr. McGill: It is spelled out. Phase 1 is \$1.1million expenditures with 7 to 8 employees. Phase 2 is \$1.5 million expenditures for three years with approximately 39 employees, salaries \$1.15 million. Sales tax generated should be \$35,000 per phase per year. It should generate \$60,000 plus yearly in sales taxes.

Commissioner Lee: Is that State and County sales? 7% is both so it will be ½ of that amount.

Mr. McGill: Yes, it is hard to figure and that is not gasoline taxes, which goes to the State first and then is disperse to the County. The tax abatement should be paid off in 13 months.

Commissioner Epps: Then we will recoup this money spent in 1 or 1 ½ years.

Mr. McGill: You will recoup the County's money twice as fast if you approve the abatement. The abatement will last for 27 months, but the return on the County's investment will be in 13 months. With all of construction in process because of BRAC, we are trying to capture revenues in the County instead of losing those taxes to other sources such as the City.

Commissioner Pugh: Is it not true, where he developed his convenience store, he found that it will not be economically viable for him to do this, so he wants to develop the other part of the property to amortize the loan?

Mr. McGill: There is no doubt when you do not have the ability of being on city sewage, which plays a large part of county construction, due to limited percolate rates and no sewage systems to accommodate commercial business which is substantially more expensive than houses.

Commissioner Pugh: That is a business decision he and his engineer should have gone over before that project had begun.

Mr. McGill: We are going to face that issue with each business until we get a sewer system. We are not going to have a tax base until we are able to sewer in

the County, economically, the site. It takes a lot of property to place field lines for a commercial development. I'm asking on this developer's behalf; because I think it will jump start this area for commercial growth. There are others wanting to come into the County. Presently there are residents in this area that have to leave Russell County to spend their money. I understand the County cannot afford to have 20 of these abatements, but if we begin with this one development, others will see this area has potential locations for their businesses.

Commissioner Epps: If we don't vote and do something for the County; there will be annexation and the County will lose revenue.

Chair Martin requested a second for the motion. Seconded by Commissioner Screws. District 1 (Lee), for the reservations stated I will vote, no, at this time. District 2 (Pugh) voted, no; District 3 (Martin) voted, yes; District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6 (Dudley) absent; District 7 (Screws) voted, yes. There were 4 votes yes and 2 no votes; the motioned passed.

Lt. Holland from the Russell County Jail presented the results from the Semi Annual Jail Food Bid held December 19, 2010 and recommends the low bidders. A spread sheet with the bid results was distributed to the Commission for review. Commissioner Lee motioned to approve the recommendation of Lt. Holland. Seconded by Commissioner Reed. The vote was unanimous.

Sheriff Elect Heath Taylor presented a request for Kountry Kitchen for 020- Restaurant Retail Liquor License, which is located at 1705 A Hwy 165, Pittsview, Alabama. The owner, Karl Crews Jr. lives at 94 Bluff Creek Road in Pittsview dba as Crews Enterprises. Sheriff Elect Taylor stated after his department's investigation; he did not find reasons to deny the liquor license. Commissioner Screws motioned to approve the Sheriff's Department s recommendation for approval. Seconded by Commissioner Epps. The vote was unanimous.

Assistant Director of Homeland Security / EMA Bob Franklin presented bid results for the December 14, 2010, School Bus Tracking System. This is a 100% reimbursement grant awarded to Russell County by the Alabama Department of Homeland Security. Once the one year service expires, Russell County and Phenix City School Boards have agreed to pick-up those costs. Edulog was the lowest bidder at a cost of \$766.00 per unit which included the one year service plan. The plan is to equip 20 buses for each school system. Commissioner Lee motioned to approve the recommendation of Bob Franklin. Seconded by Commissioner Reed. District 1 (Lee) voted, yes; District 2 (Pugh) voted, yes; District 3 (Martin) voted, yes; District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6 (Dudley) voted, absent, District 7 (Screws) abstained because he works for the Russell County School Board System. There were 5 yes votes and 1 abstention; the motion passed.

County Attorney Kenneth Funderburk recommended the Public Hearing for the Landfill be reset for February 7, 2011, which will be a work session night. This will allow time for the hearings required publication time. He stated public hearing publication notices are the responsibility of petitioner, not the Commission. Commissioner Epps motioned to hold the public hearing, February 7, 2011 at 4:00 p.m. EST. Seconded by Commissioner Reed. Commissioner Lee stated people who would like to attend may still be at work if the time is set for 4:00 p.m. Commissioner Epps changed her motioned to reflect the meeting to be held February 7, 2011 at 5:00 p.m. EST. Seconded by Commissioner Reed. The vote was unanimous.

Attorney Funderburk recommended moving into an executive session for discussion of a possible industrial prospect. The contractor at this time does not want to be revealed. Commissioner Epps motioned to go into executive session. Seconded by Commissioner Reed. District 1 (Lee) voted, yes; District 2 (Pugh) voted, no; District 3 (Martin) voted, yes; District 4 (Reed) voted, yes; District 5 (Epps) voted, yes; District 6 (Dudley) voted, absent, District 7 (Screws) voted, yes. 5 yes votes and 1 no vote, the motion passed.

Announcements were made before executive session:

The Courthouse will be closed at noon on December 23rd and all day December 24th for the Christmas Holidays and also December 31, 2010 for the New Year's Holiday.

County Administrator LeAnn Horne stated that the County's Annual Financial Statement will be published in the Phenix Citizen this week and is available for the Commissioners in their offices. She also wished everyone a very Merry Christmas and thanked the employees for their hard work during this year.

Commissioner Reed announced the Christmas party for the area children will begin after the executive session.

Chair Martin requested a motion to reconvene the Commission Meeting. Commissioner Epps motioned to reconvene the meeting and was seconded by Commissioner Screws. Only 4 Commissioners returned from executive session: Peggy Martin, Cattie Epps, Ronnie Reed and Larry Screws which voted yes to reconvene the meeting.

There were no recommendations; therefore, Commissioner Epps motioned to adjourn the meeting. Seconded by Commissioner Reed.

The meeting was adjourned.