

Special Meeting – September 1, 2020

The Graham County Board of Commissioners met Tuesday, September 1, 2020 at 5:00 p.m. in the Graham County Community Building located at 196 Knight Street Robbinsville, NC 28771 for a special meeting with the Stecoah Valley Center Board of Directors. All board was present. Stecoah Valley Center (SVC) Board of Directors present was Rick Davis, Sara Davis, Marsha Davies, Karen Mickler and Bill Prather. Also, present Manager Rebecca Garland, Attorney JK Coward and Stecoah Valley Center Executive Director Beth Fields.

1. Chairman Wiggins called the meeting to order.
2. Chairman Wiggins thanked the SVC Board of Directors and Executive Director for attending this meeting to discuss the lease and asks if everyone had a chance to review the lease. Chairman Wiggins asks that the boards talk through the lease and come to an agreement today if possible.
3. Chairman Wiggins asks Rick Davis, Chairman of SVC Board of Directors to speak. Mr. Davis thanked the board, county manager, clerk to the board for responding to the request to hold this meeting to discuss the new terms of the lease agreement. Mr. Davis introduced the Board of Directors as listed above and stated that one board member could not attend, Rebecca Claxton. Mr. Davis stated that he started teaching at SVC in 1975 for ten years and then went to the Graham County School's Central Office and finished his 33-year career. Mr. Davis stated that Stecoah Schools was closed in 1994 and at this time, the building stood dormant for three years and had begun to deteriorate. Mr. Davis stated that a few residents came together and agreed that this property was too great of a treasure to deteriorate so they formed the non-profit Stecoah Valley Center Culture Arts in March 1997, which was 23 years ago. Mr. Davis stated that they renovated the buildings and opened the visitor center for tourists. Mr. Davis stated that the grounds are impeccable with the Cherokee Court Yard, the walking trail and the playground, which is used every day by folks and it has become a showpiece for the County, and is known through the region, the state and even into the federal government. Mr. Davis stated that he would like to give a timeline to the events of the lease. Mr. Davis stated that the board approved the lease May 21, 2019 at a Regular Meeting and had called an Emergency Meeting on May 24 where it was stated that the board would discuss the SVC at its next regular meeting. Mr. Davis stated that the minutes of June 4, 2019 do not reflect any discussion on this date. Clerk Crisp stated that the board did not discuss SVC that date and it was not listed on the agenda, which was an oversight on her part but did add SVC to the agenda for the June 18, 2020 meeting. Mr. Davis stated that those minutes did reflect conversation where the board had concerns on the number of years of the lease and asks that Attorney Coward to look into this issue due to the Adverse Possession Law in North Carolina. Mr. Davis stated that on June 27, 2019 the Notice of Lease was published in the Graham Star where it is stated that the Graham County Board of Commissioners did resolve to lease to the SVC the lease agreement as recorded in the Register of Deeds for a sum of one dollar upon the same terms and conditions and that the Board of Commissioners intend to consummate this lease agreement (10) days from the publication of this notice. Mr. Davis stated that because of the article the board of directors felt the need to have a meeting, which they did with Chairman Wiggins and Manager Garland and Mr. Davis read the email that was sent by Beth Fields recapping the discussion. Mr. Davis stated that the SVC has made an impact on the economy through leased space, by sales tax, occupancy tax, visitors coming to the areas, payroll of employees and community service such as the Afterschool Program and the JAMS Program. Mr. Davis stated that the lease discussion began after the board learned by court order that they had to pay \$33,000.00 to Cherokee County for a ten-day trial in their county. Mr. Davis stated that SVC had proposed an agreement of \$1481.00 per day then reduced this number to \$572.00 per day. Mr. Davis stated that he suggested \$700.00 per day with \$138.00 per day to go to the SVC Food Distribution. Mr. Davis stated that you would be paying \$7000.00 to the center versus \$33,000.00 to Cherokee County for a period of ten days.
4. Mr. Davis stated that the next steps his board would like to happen is for the commissioner board to honor the May 2019 agreement by renewing the existing lease for 25 years, then agree to a use agreement for Superior Court to use the facilities, and then reimburse SVC for expenses after the court has adjourned. Mr. Davis stated that the SVC Board of Directors met and decided that the proposed changes to the lease document would cause the center to dissolve its ability to operate. Mr. Davis asks for comment from the Board's. Commissioner Orr asks whom the email that was referenced was sent to. Mr. Davis stated that it was sent to Chairman Wiggins and Manager Garland.

5. Ms. Fields thanked the boards for their time and for calling a special meeting to discuss the SVC lease. Ms. Fields stated that they did receive the changed lease two weeks ago and stated that the lease that was approved May 2019 does have a termination clause. Ms. Fields stated that the current changes propose that the property returns back to the county if and when the non-profit ceases to exist. Ms. Fields stated the clause also stated that the county could end the lease with a thirty-day notice with or without reason and asks why this in the clause and what the purpose is. Ms. Fields stated that the impact of this clause would dissolve the center's funding. Ms. Fields stated that the center is funded by grants, private donations, projects and events and with county funding. Ms. Fields stated that the 30-day term would hinder the center with the grants, which fund our Afterschool program and our JAM program. Ms. Fields stated that they have one-year grant awards and they have an existing grant to renovate the gym but with the proposed lease agreement, they would have to return that money. Ms. Fields stated that they have a donor from Lake Santeetlah who is very concerned and we may lose this donation as well. Ms. Fields stated that they employ (13) people; (3) fulltime and (10) part-time and serve (40 to 50) kids in the Afterschool program. Ms. Fields stated that they have also applied for a CARES Act Grant of \$50k to assist with payroll and they were one of (21) that received this grant in North Carolina. Ms. Fields stated that their revenues have been eliminated due to the Covid19 Crisis and they have been relying on small donations, which keep up the food donation and other events. Ms. Fields stated that on May 28 a Judge and the Clerk of Court toured the facility to see if we were ADA compliant and large enough to hold Superior Court and it was approved. Ms. Fields stated that they had subleased to the Graham County Sheriff's Office and they would accommodate Graham County as well. Ms. Fields stated that the newly proposed changes would hinder their operations due to their programs such as Afterschool and JAM, which they have been doing for nineteen years and want to continue to do. Ms. Fields stated that they are also being studied to be listed on the National Historical Register. Ms. Fields stated that they do have contracts in place ready to go which would include the lease rates and they did go from \$1400.00 to \$700.00 per day which are reasonable expenses. Ms. Fields stated that liability insurance would have to be provided for the courts. Manager Garland stated that the liability insurance of the county would cover the activities at the center and Raleigh had approved the site. Manager Garland stated that she contacted our insurance agent and she will clarify that this would fall under our umbrella coverage. Manager Garland stated that we are the legal owners of the building and we cover the building insurance. Manager Garland stated that the liability insurance that SVC has should cover their employees and visitors that come to the center.
6. Commissioner Nelms asks if items three and four are of the most concern. Ms. Fields stated that it is spelled out for special use and the reasonable expenses will differ from August to November due to the usage of the gallery. Commissioner Nelms stated that we could do a usage agreement the same way we have done the lease for twenty plus years and/or a verbal agreement, which would be recorded in the minutes.
7. Chairman Wiggins asks for questions. Chairman Wiggins stated that he has never seen a lease that did not have a term clause in it. Ms. Fields stated that this proposed lease calls for a termination with or without cause. Mr. Davis asks if they were investing in property would you invest a half a million dollars with a clause that reads termination with or without cause. Chairman Wiggins stated that the main concern is the future and some board members could create a train wreck and this gives the Board of Commissioners some concern. Chairman Wiggins stated that in order for him to be comfortable with the lease some type of termination clause needs to be added. Ms. Fields stated that it does contain language that if the SVC ceases to exist then the property reverts to the county. Chairman Wiggins stated that some type of term clause is sensible and he believes that any grantor would accept that. Mr. Davis stated that he agrees that a termination clause is acceptable if the SVC ceases to fulfil its mission or shows grounds for a termination but to state with or without causes or without reason is not rationale. Ms. Fields asks what necessitated the change. Did the center do something? Ms. Fields stated that they could not operate with a thirty day termination clause without reason because what would she tell the grantors. Ms. Fields stated that they would welcome a commissioner to sit on their Board of Directors because many times things are misunderstood concerning grants and funding and having a member sit on their board would allow that commissioner to report to the commission board of their activities. Ms., Fields stated that they are not rolling in cash and usually operate on around \$25K per year and understands the misconception that the center has lots of money. Ms. Fields stated that they do receive grants but that money is pass through monies. Ms. Fields stated that they take care of 24,000 square feet facilities and grounds through donations. Chairman Wiggins stated that the center did not do anything wrong but due to current situations concerning COVID19 matters they have had to look at using all assets that

the county owns and this is the only reason this was being explored. Mr. Davis stated that the county can use the facility and they welcome the use within reason, but to vacate the premises with no reason is asking a lot of the center. Chairman Wiggins stated that his stance has not changed on the use of the building but would take the active programs of the center into consideration.

8. Ms. Fields stated that this can be done with a Special Use Agreement and was very surprised that the center did not have to use as a hospital during this Covid19 crisis. Ms. Fields stated that this agreement could be adjusted as special circumstances arise. Chairman Wiggins stated that we needed language that will last ten years from now when this board is no longer present which spells out what type of usage the board would have.
9. Bill Prather stated that he was the newest member of the SVC Board of Directors and it seems to him that the commission board is using this lease as a leverage plan. Mr. Prather stated that at his first meeting the question was asked for the facility to be used by the courts and this was considered and the second was the terms of the original lease that was approved in open session yet now the board has added the phrase 30 day notice with or without cause. Mr. Prather stated that this seems harsh and appears to him of mistrust as to what the center is doing. Mr. Prather stated that he understands the theory of what's in the back of the minds down the road but he has been a director and has seen many things and this surprises him that the board wanted this language added.
10. Commissioner Eller stated that the commissioner's report to the people of Graham County and SVC pays the county \$1.00 per year for rent and the court mandated that we provide a place for court.
11. Mr. Prather asks what reason everyone has to undo the current lease that has been operated without a flaw except to gain leverage. Mr. Prather wanted to know if the board says jump do they expect us to say how high because he has seen all in his (77) years around county government and private business and this leads to a moral aspect.
12. Commissioner Nelms stated that he has no ill will or motive and he is not exactly sure where the thirty day notice come into the lease but his reason is because the courts mandated we find a facility and they wanted to ensure others in the future do not have to be in this situation. Commissioner Nelms stated that a use agreement suggest temporary and our situation can be urgent but we all need to agree on a necessary long-term agreement because he did not want to prohibit the center or their interest and his intent has never been shady and believes that there is a way for an agreement to be longstanding.
13. Ms. Fields stated that they can do a long-term agreement but asks the board to honor their May 2019 decision to renew the lease and then do a lease amendment. Ms. Fields stated that the terms could specify the months that the gallery is open and on the off months, usage of the building would not be an issue.
14. Mr. Davis stated that he trusted the board of commissioners and he in no way believes the board has a motive but he does have concern on the thirty-day notice with no reason. Mr. Davis stated that this would affect the center and they cannot continue without their grantors if they know that the county could shut the center down without cause in a thirty-day period.
15. Mr. Prather stated that he did not know any of the board but he has sat on many boards and he has seen a lot and the thirty-day clause without explanation is not right.
16. Ms. Fields stated that it can be a perception thing and the center has done a lot of work and she thinks that there is a misconception with the new board members on the relationship we have with the board. Ms. Fields stated that they have a great relationship with the county board and they may be a little more persistent because the center is an assist to the community, the tourists and the county. Ms. Fields stated that the misconception was due to the lack of communication on the thirty-day clause and they will gladly do an agreement. Ms. Fields stated that the lease expires October 11 and they have to make plans for months ahead with programs such as afterschool.
17. Mr. Davis stated that he believes that having a commissioner on board would be a great idea.
18. Commissioner Cody stated that a little revision needed to be made in Section 4, which contains verbiage that concerns both boards and we need to be respectful concerning future programs for the center. Commissioner Cody stated that he sat on the first board that was formed and was part of the crew that hired Lynn Shields. Commissioner Cody stated that any board needed to secure the future and he believes that this is a miscommunication and trusts that both boards will work this out and if the commissioner board must use the facility it will be because of emergency situations. Commissioner Cody stated that at no time did this board have any other motive but to use the facility in emergencies.
19. Ms. Fields stated that at no time have they ever denied the county use of the building and have hosted state, county and federal meetings. Ms. Fields stated that if the center could have

reasonable notice so that they can have the time to cancel upcoming events then there would not be an issue.

20. Commissioner Cody stated that this is only a draft and it can be changed.
21. Marsha Davies stated that as a board of directors for the center her main concern was the thirty-day notice without reason.
22. Commissioner Orr stated that the current verbiage does not follow the discussion and the SVC Board had legitimate cause to respond in that effect.
23. Chairman Wiggins stated that to the best of his knowledge he was involved from the beginning since 1993 with the center and he has no ulterior motive and stated that the wording chosen could have been better but this board does not use leverage nor want leverage on the center and Attorney Coward can change the language and define the word cause.
24. Attorney Coward stated that a lease was approved in May 2019 but not the terms of the lease and the changes can be made to that effect.
25. Karen Mickler asks if the Board of Directors could provide input into the new lease. Commissioner Orr stated that she was open to both boards collaborating and changing what needs to be changed. Attorney Coward stated that he would be happy to work with both boards and asks for a time and place to have the meeting. Chairman Wiggins stated that this sounded good to him as well as the other board members. Manager Garland stated that she would be glad to work on the lease as well.
26. Chairman Wiggins stated that he wanted this built into the lease so this will not be an issue in the years to come. Chairman Wiggins stated that the terms could be agreed upon by both boards and be done. Attorney Coward stated that a separate document may confuse anyone and it would be hard to enforce. Attorney Coward stated that the long-term lease is filed in the Register of Deeds office and if we do an additional agreement, it could get lost for future boards.
27. Chairman Wiggins stated that the board did adopt the lease in May 2019 but it is not enforceable until it is signed and he wants both boards to agree and both boards to sign and this will be recorded.
28. Chairman Wiggins asks that the meeting be set and the document fixed, executed, and thanked SVC Board of Directors for attending.
29. Chairman Wiggins asks for a motion to adjourn. Commissioner Orr made the motion to adjourn. Commissioner Cody seconded this motion. Vote unanimous.

Dale Wiggins, Chairman

Lynn Cody, Vice-Chairman

Keith Eller, Member

Jacob Nelms, Member

Connie Orr, Member

ATTEST: _____
Kim Crisp, Clerk to the Board