

Draft

**BOARD OF COMMISSIONERS
SPECIAL CALLED MEETING** November 26, 2007

**ALEXANDER COUNTY
STATE OF NORTH CAROLINA**

PRESENT: W. Darrell Robertson, Chairman
Wes Bolick, Vice-Chairman
William L. Hammer
Harold M. Odom
Larry G. Yoder

STAFF: Rick French, County Manager
Jamie Starnes, Clerk to the Board

MEDIA: Micah Henry, The Taylorsville Times
Andrew Mackie, Hickory Daily Record
Hannah Mitchell, The Charlotte Observer

The Alexander County Board of Commissioners held a special called meeting on Monday, November 26, 2007 in the Bethlehem Elementary School Cafeteria, Taylorsville, North Carolina.

CALL TO ORDER

Chairman Robertson called the meeting to order at 6:08 PM.

ADOPTION OF AGENDA

Commissioner Yoder made a motion to adopt the agenda as presented. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

PURPOSE OF MEETING

Chairman Robertson explained that the purpose of the meeting was to hear public comment regarding a possible request from Gary Sain, partner in SMP Investments, Inc. to the City of Hickory for voluntary annexation of the Bethlehem Village Shopping Center property at the intersection of Highway 127 and Rink Dam Road.

He also stated that the Board was not required to hold this meeting but felt it was important to allow the citizens of the Bethlehem community to voice their opinion on this matter.

COMMENTS FROM GARY SAIN, SMP INVESTMENTS, INC.

Gary Sain stated that he owned the Bethlehem Village Shopping Center and surrounding property which consisted of a total of 34 acres, 22 of which were currently undeveloped. He expressed his concerns with losing customers and sales tax revenues to other counties because beer and wine was not sold at Lowes Foods or surrounding stores and restaurants. He pointed out that, instead of spending their money in Alexander County, Bethlehem residents drove into Hickory to eat at restaurants and purchase groceries because they could also purchase alcohol at those establishments.

He stated that he sent a letter to the Board of Commissioners about a year ago addressing these concerns and he then met with the Board in January 2007 along with representatives from Lowes Foods. He also explained that NC General Statutes allowed for voting districts for alcohol sales and he discussed the attempt to incorporate Bethlehem as a town several years ago which resulted in only one-third of the surveys being returned with 60% negative responses.

Mr. Sain informed everyone that he was only interested in the City of Hickory annexing the shopping center and the remaining 22 acres along with any businesses that voluntarily wished to participate in the annexation. He felt that a revenue sharing plan could be worked out between Alexander County and the City of Hickory for a percentage of the sales taxes generated to be returned to Alexander County to be used for the Sheriff's Department, fire departments, etc. He also stated that he would like to see a policy put in place to restrict involuntary annexation.

At this time, a lady in the audience asked if the annexation would apply to future properties purchased by Mr. Sain. She was informed that Mr. Sain would have to request annexation of any future properties.

PUBLIC COMMENT

The following comments were heard:

Terry Gresham, a lifelong resident of Bethlehem, stated that he was thankful that he lived in a Bible-based community and could shop at stores that did not sell beer and wine. He felt that once the City of Hickory came in, they would continually annex more property into the city limits forcing citizens to pay city and county taxes.

Mark Sharpe stated that he was opposed to the annexation and expressed concerns over the city's 3-mile ETJ once annexation occurred. He informed the audience that 237 alcohol-related injuries occurred in Alexander County between years 2000 and 2005, 7 of which were also deaths and he felt that allowing alcohol sales in Bethlehem would only increase those statistics. He also pointed out that there were 4 churches located nearby to the shopping center where beer and wine sales was being proposed.

Brent Icard felt the citizens of Bethlehem should be given the opportunity to voice their opinions on this issue by referendum. Chairman Robertson explained that the Board must be presented a petition signed by a percentage of all registered voters in the county before a referendum could be held. Chairman Robertson also noted that if the referendum failed, a request could still be submitted to the City of Hickory for annexation. Mr. Icard felt a referendum would be the best option.

Howard Smith, Pastor of Bethlehem Church of God, stated that the church was opposed to any establishment that promoted alcohol and he conveyed his appreciation to the response generated from the community in opposition to this request. He said that the citizens of Bethlehem chose to live in the area for a reason and he also mentioned the right to vote on such issues.

Don Jud stated that he chose to have a second home in the Bethlehem community because the property taxes in Hickory were too high and he felt that the City of Hickory would continue to annex portions of Bethlehem once they were here. He noted that, after the annexation took place, taxes would double instead of services, economic activity would decrease, and property values would decrease. Mr. Jud also stated that once the businesses included in the annexation were able to sell beer and wine, others would want to do the same.

Kenneth Lambert, a Bethlehem resident for 19 years, stated that he had been a pastor for 40 years and had seen what alcohol did to families and people's lives. He stated that this annexation and the sell of alcohol would only benefit a few businesses and not the community as a whole.

Marcus Benfield, Pastor of Grace Baptist Church, pointed out that Hickory laws and ordinances would apply to the shopping center if annexed, which could open the doors for an adult video store or gentlemen's club to lease a portion of the shopping center. He stated that those types of establishments would create the need for the Sheriff's Department and/or fire departments to hire more people to deal with the problems caused by them. Mr. Benfield said that he also appreciated the fact that he could shop in stores where he didn't have to dodge the beer and wine aisle and eat in restaurants that didn't sell liquor by the drink.

Rudy Rice, a Bethlehem resident for 31 years, stated that the City of Hickory would start by annexing this small shopping center but then continue annexing once their foot was in the door, resulting in citizens paying double taxation.

Brian Bowman, expressed his appreciation for being raised in the Bethlehem community and being able to shop in a grocery store where he didn't have to be around drunks looking to get more alcohol. He also stated that the Lord had blessed the community and would continue to bless those who honored Him.

Lynn Preslar gave some statistics on traffic crashes nationwide in 2006 along with associated costs. He stated that 1,559 traffic accidents occurred in NC in 2006, of which

554 were alcohol related. He discussed recent reports of a 16-year old drunk driver crashing into a dumpster which then tore a mobile home apart and a car being driven into a home by a driver under the influence of alcohol. Mr. Preslar stated that these statistics would increase if annexation in Bethlehem occurred and alcohol sales were allowed; however, he noted that even though the businesses would see a profit, the cost to families would never be known.

Kent Duffield stated that he was a friend of Gary Sain's but that he was opposed to the annexation request unless the City of Hickory would sign a sworn, notarized statement saying that they would never annex another inch of property in Bethlehem.

Anthony Warta stated that he lived in Florida but owned property in Bethlehem. He discussed his and other's attempt to get Bethlehem incorporated in the 1970's which failed and the most recent attempt a few years ago that also failed. He noted that incorporation would not cost anybody anything and would allow the town citizens as a whole to make these types of decisions for themselves. He felt that incorporation was the best way to go.

Tom St.Clair thanked Gary Sain for being his friend, neighbor, and pharmacist but stated that he was opposed to the annexation. He felt the citizens should be allowed to vote on this issue in a referendum.

Latt Moretz, a lifelong resident of Bethlehem, also felt the residents should be given an opportunity to vote and explained that special legislation could be introduced during the short session of the General Assembly to allow the Wittenburg Township (to include Bethlehem) the opportunity to hold a referendum to vote on this issue.

Lynn Teague, a lifelong resident of Bethlehem, inquired about how fire and police protection would be provided if annexation happened as well as how sales tax revenues would be dispersed. He discussed how many citizens drove to other counties to eat at restaurants, shop for clothing, etc. He felt that a plan should be developed to encourage higher-end restaurants to locate here for reasons other than the ability to sell liquor by the drink; however, he felt that Bethlehem citizens would be willing to give up those restaurants if they chose not to locate here for that reason. Mr. Teague also mentioned that it was unfair for the Board to support alcohol sales in Taylorsville and not in Bethlehem and he noted that it should be the voters' choice.

Gary Jennings stated that he moved to Bethlehem 5 years ago from Taylorsville. He explained that a similar situation occurred in Taylorsville a few years back in that Harris Teeter said they would not be able to remain open unless they were able to sell beer and wine. After the store stocked the beer and wine, Wal-Mart located next door and Harris Teeter closed. Mr. Jennings pointed out that beer and wine sales didn't save Harris Teeter and that any business would succeed if it provided a good selection and good service. He used PJ's Seafood and Bethlehem Restaurant as examples, stating that they were always full even though they did not offer liquor by the drink. He also agreed with

points made that the City of Hickory would continually creep into Bethlehem with more annexation.

Lashawn Smith stated that she was appreciative that her 17 year old son was able to work at Lowes Foods where beer and wine was not sold. She pointed out that the only area of employment that teenagers and young people could work in while attending school was retail and she was thankful that he didn't have to handle alcohol at his job. She also mentioned that she worked two counties away but shopped as much as she could in Alexander County to help the tax base.

Herman Forbes informed the audience that he moved to Bethlehem from Burlington in 1997 and was happy to learn that he had moved to a dry county. He noted that the Bethlehem Star Lighting was planned for this Saturday and he told how the Lord used that star and manger scene to bring him back into His will many years ago. He didn't feel that it would be right to celebrate Jesus' birth across the street from where alcohol was being sold. He felt that opposing the annexation to save only one life to drunk driving was worth it.

Connie Killian, a lifelong resident of Bethlehem and Co-Chair of the Bethlehem Community Development Association, spoke for the majority of the Association by speaking in opposition to the annexation request. She raised several questions such as where the ETJ limits would be located and who would provide fire and police protection. She felt that approval of the request would open the door for others to request annexation and would cause the community to lose its integrity. She also expressed concerns that the annexation could possibly affect the Star Lighting Ceremony. Ms. Killian felt that the annexation and alcohol sales would only benefit a few businesses and she requested the community be able to vote on the issue.

Dave Ross, a local pastor, discussed the social and moral issues associated with alcohol sales and the impact to families it would bring. He informed the audience that he lived in Mecklenburg County for 10 years before moving here and he experienced annexation there. He explained that the annexation continually moved toward his then church's property which was eventually annexed into the city and was taxed. Mr. Ross expressed his concerns with the community being divided and friendships lost because of differences of opinions on this issue and he felt that the citizens should honor God and keep peace in the community. He also announced that he would be morally bound to cease doing business with establishments that sold alcohol.

Jerry Orr stated that he was against the annexation by the City of Hickory and felt the line should be drawn at the Highway 127 bridge.

Joe Strickland, who retired here from Avery County, asked if the annexation from the City of Hickory could be stopped. Chairman Robertson explained that the Board of Commissioners could not stop the City of Hickory from annexing any portion of Alexander County. He stated that the Board could only approve a resolution in favor or in opposition of the annexation request which would be reviewed and considered by the

Hickory City Council; however, he noted that the Hickory City Council would be the final decision maker.

Lana Davidson felt that annexing the shopping center for the purpose of beer and wine sales was only creating a band aid for a growing problem. She stated that the Board of Commissioners was restricted by law as to what they could do to stop annexation but she noted that they couldn't make decisions based on religious beliefs either. She explained that many people made alcohol for a living and used it for medicinal purposes when she was growing up, noting that she had not had a prescription since the 1980's. Ms. Davidson said that her father had become ill and was given a prescription that caused him to have a seizure and pass away. She said that her father would be alive today if he would have taken a spoonful of sugar with liquor a few times instead of taking the prescription; however, she noted that her father's Baptist church forbid any type of alcohol use and he therefore refused. She encouraged the support for Representative Ray Warren to introduce special legislation to hold a referendum for countywide beer and wine sales instead of for just one township.

Laura Forbes stated that she had not seen her daughter or grandchildren in 10 years because her daughter had an alcohol and drug problem. She explained that she had raised her daughter in church but that she had seen her father drink and had picked up the habit. Ms. Forbes said that nothing good came out of drinking.

Doug Westover, a Bethlehem resident for 20 years, also appreciated the fact that he could shop in stores that did not sell beer and wine. He stated that he knew people that were tortured by an alcohol addiction. He encouraged the citizens to consider the moral side of this issue instead of the material side.

Patti Westover pointed out that she intentionally shopped at grocery stores and convenience stores as well as visited restaurants that did not sell or serve alcoholic beverages. She also felt the citizens had a right to voice their opinion in a vote.

Randall Guynes said that he was not opposed to the alcohol sales but was concerned that the City of Hickory would continue to annex more properties into their city limits once this annexation took place.

Diane Cardamone was present to represent Dr. Mark Faruque with Bethlehem Family Practice which had been a state and federally subsidized Rural Health Clinic for 12 years, serving patients whose sole insurance was either Medicare or Medicaid. She explained that one of the qualifications for RHC status was being located in a healthcare shortage area and she noted that if the shopping center was to be annexed, the practice would be flagged to relinquish the RHC status and eventually cause to close the doors. She asked that those possibly requesting annexation and those involved to consider the opposition of the citizens instead of the benefit to Lowes Foods and the shopping center.

Danny Rink stated the he and his wife lived in Bethlehem and traveled to many places outside of NC to sell their quilting machines. He mentioned that a population explosion

was happening outside of this county and felt that annexation would only fuel that trend. He also noted that annexation was historically known for a continual creep into other counties.

COMMENTS FROM MICK BERRY, CITY OF HICKORY

Mick Berry, Hickory City Manager, informed the audience that the City of Hickory did not have annexation plans for Alexander County; however, he explained that Mr. Sain had approached him with an interest in requesting annexation of the Bethlehem Village Shopping Center property into the City of Hickory.

After talking with Rick French, Alexander County Manager, and reviewing past records, Mr. Berry stated that he found some information relating to this issue including a letter dated September 13, 2000 from then Mayor Bill McDonald to Alexander County Commissioner John Watts stating that the City of Hickory had no intentions of annexing any portion of Bethlehem as well as another letter dated August 13, 2003 addressed to County Manager French from Mayor Rudy Wright stating that Hickory's annexation policy contained in the September 2000 letter remained the same; however, he noted that the letter also mentioned that "the City's policy of not annexing into Alexander County without concurrence of the Alexander County Commission has not been changed and remains in effect." Mr. Berry began researching for any such policy approved by the City of Hickory and found that the annual goals set in 1993 included a statement that the City of Hickory would not annex into Alexander County without approval of the Alexander County Commissioners. Since that was only a yearly goal, Mr. Berry felt that it would be appropriate to allow Mr. Sain to continue with his request for annexation if he chose to do so.

Mr. Berry explained that once the City of Hickory received a formal request for annexation, staff would assess how city services would be provided, how much property and sales tax would be generated, etc. to determine if the annexation was feasible before presenting the matter to the Hickory City Council. However, he stated that the partnership between the City of Hickory and Alexander County was very important, noting that the Hickory City Council would heavily consider the wishes of the Alexander County Commissioners.

He discussed questions voiced about the ETJ and explained that the ETJ (1-mile from city limits where city zoning would apply) would not apply to a satellite annexation such as the Bethlehem Village Shopping Center. He did state that the ETJ would apply, as well as the 3-mile primary corporate limits, if the property from the bridge to the shopping center were annexed in the future, connecting the property to the city limits.

Mr. Berry pointed out that the City of Hickory was not interested in pursuing involuntary annexations because it was simply too expensive to do and that annexing residential property presented no financial gain to the City of Hickory.

As far as fire and police protection, He felt that, if annexation occurred, it would make sense for the City of Hickory to contract with the Bethlehem Fire Department and the Alexander County

Sheriff's Department to provide those services, but he again noted that those issues would be weighed out after a formal request was submitted.

A citizen asked if the City of Hickory could annex property that was incorporated as a town. Mr. Berry replied that one city could not annex into another city or town.

OTHER COMMENTS

Gary Sain spoke again to discuss the profit to Lowes Foods to sell beer and wine. He stated that projections included 13% of all sales contributing to beer and wine as well as a 20% increase in the customer base. He mentioned that Lowes was the anchor store for the entire shopping center and that tenants looked at Lowes as a marker for the entire business community. He said that Lowes was an attractive and safe grocery store and he didn't want to take the chance of them leaving due to lack of customers.

A citizen asked if other businesses, other than those located within the shopping center, were interested in being annexed. Mr. Sain replied that Jek Chek and several others had expressed an interest in being annexed along with the shopping center.

COMMENTS BY COMMISSIONERS

Chairman Robertson thanked everyone for attending the meeting and being considerate of each other. He encouraged citizens to check upcoming agendas for the Board's consideration of a resolution on this issue.

Commissioner Yoder explained that a referendum could only be held if a petition was submitted to the Board signed by 35% of the registered voters of the county. He also stated that the General Assembly would be holding its short session in May where legislation could possibly be added to allow a vote by township.

Commissioner Bolick also agreed that the citizens should have a choice for such issues and he thanked everyone for attending.

Commissioner Hammer stated that the Board spoke with Mr. Sain about this issue about a year ago and discussed options available at that time; however, he reiterated that a petition must be submitted before a referendum could be held. He also pointed out that the Board had little authority in this situation and could only voice its opinion and wishes to the City of Hickory.

Commissioner Odom stated that he was in support of holding a referendum to allow the citizens to vote on the annexation.

ADJOURNMENT

There being no further business, Commissioner Yoder made a motion to adjourn at 8:20 PM. Commissioner Hammer seconded the motion. The Board voted unanimously in favor of the motion.

W. Darrell Robertson, Chairman

Jamie M. Starnes, Clerk to the Board