Trouble in-Paradise-Part II: County Financing another $6 Mil Economic Development Shell Building Fiasco!!! Uncovered Secrets of the Cleveland County Commissioners!! Discovery, analysis and report by Robert A. Williams

Editor's Note: This is how the Trouble-in-Paradise Part I article started off. I will repeat the lead in text as it fully applies here also:

"With all the Emergency Declarations declared by the Cleveland County Commissioners and NC Governor, because of the so-called deadly COVID-19 coronavirus, you would think the Commissioners would have cancelled or rescheduled their April 7, 2020 Commissioner's meeting. You would have thought they would have rescheduled their March 17, 2020 meeting too. Especially since there were two "Public Hearings" on the agenda for that meeting. The Commissioners did tell the County Department Heads not to come. I attended the March 17th meeting but stayed home for this past Tuesday's meetings. Maybe because the Shelby Star Coronavirus Map shows the ground-zero epicenter of the COVID-19 pandemic in Cleveland County is so close to Fallston. Where we have as many victims as the rest of Cleveland County put together. I figure since Upper Clevelanders, "U-pers," have to travel to Shelby for so many

things-because Shelby gets all the county funding, Shelby is where we caught the virus to begin with.

But, anyway, I have requested in writing that the Cleveland County Commissioners (along with the School Board and Cleveland Community College) provide me with their meeting notice as well as their agenda. It is part of the NC Public Records laws that they are supposed to obey. But they fudge delivery of the notices of meetings, sometimes less than 24 hours.

The Commissioners have developed a way to fudge the truth even more and more. And use their sneaky tricks at almost every meeting. Sometimes several times in the same meeting.

It is called the "Consent Agenda." Consent agendas are supposed to be routine matters that are so simple that they do not need any discussion. A bunch of routine matters that can all be voted upon at one time without discussion or explanation. At the April 7, 2020 Commissioners meeting, there were 10 items on the Consent Agenda. I was not present, but I would bet that all ten were approved with a single vote and without a peep of discussion. Call your favorite Commissioner and ask them whether or not that is true."

Take note that the potential loss to Cleveland County taxpayers coming out of the "Consent Agenda" items is probably limited to around $3.5 Million. Which is chicken-feed to what came up later in the April 7, 2020 commissioner's meeting!!!

Now, let's kick in with the biggest waste of all coming out of the April 7, 2020 Commissioner's Meeting.

The Commissioners, foolishly have decided to build another "spec building" to locate in Shelby's Industrial Park at a cost of $6 million. Their "story" is this has worked for us before so we want to do it again. Obviously forgetting (on purpose) that a "recession" is going on and millions of people across Cleveland County, North Carolina and the USA are

unemployed, that number is rising and the economy is shut down. Including North Carolina at the order of Democrat Governor Roy Cooper. Cooper has even ordered Easter Church services be suspended for congregations of 10 people or more. Only fools would build a "spec building" under these circumstances.

But the fool commissioners seem to be located smack-dab in the Twilight Zone. They think they can borrow the $6 million, build the building, and then sell the building before they have to pay a dime on the $6 million principal. So, reality hasn't sunk in for these fool Commissioners.

Something else hasn't sunk in either. Being financially responsible and realizing that there is trouble in paradise. The Commissioners have spent, spent and spent some more until Cleveland County is broke. They can't seem to get the voters who are wiser than they are to pass a referendum to raise sales taxes. They "hocked" the new Health Department Building, the new North Shelby School building and the James Love School building to raise money to build the new North Shelby School and pay millions of dollars for the Clearwater Paper Expansion. Obviously, they don't have much left to hock, so they decided to get a regular loan from a regular bank.

The Commissioners applied for a $6 million loan from 50 banks. That is FIFTY banks. And only two banks were interested. Truist and Sterling. At pretty high interest rates.

Then, they had the County Attorney Elliot Engstrom do an evaluation that stated **"During the due diligence process with the banks, there were no concerns expressed related to the County's credit or ability to borrow the funds."** Who in Cleveland County would say that when you have to apply to 50 banks to get two offers indicates "no concerns" on the county's credit or ability to borrow money??? And, that is the good part.

The staff recommendation is to go ahead with the Truist (formerly BB&T) 10-year loan, but sell the building before any principal payments are due and only a $675,000 financial “debt service” will have to be paid.

ONLY a $675,000 debt service will be due??? Completely ignoring the fact that during the current economic situation in Cleveland County and the world that the building might not be sold at all. Wouldn’t common sense dictate that this whole deal should be delayed until there is some sort of economic recovery b e in place before we roll the dice on a sure loser?

But, hey, don’t believe a word that I said in this article. The staff report is provided below for your convenience. Read it for yourself. Then ask your favorite Commissioner whether or not they approved the deal.

Then ask the Shelby City Council and the Commissioners whether there will there be any minority owned businesses involved with this construction project? (The Devil made me ask that obvious question.)

I have a $100 reward for the first person that can prove that the fool Commissioners did NOT approve this crazy deal at the April 7, 2020 Commissioners meeting that nobody attended.

Installment_Financing_staff_report (2)