July 27, 2026

Minutes

STATE OF NORTH CAROLINA — **BOARD OF COMMISSIONERS**
COUNTY OF HENDERSON — **MONDAY, JULY 27, 2026**

The Henderson County Board of Commissioners met for a special-called meeting at 9:30 a.m. in the Commissioners' Meeting Room of the Historic Courthouse on Main Street, Hendersonville.

Present were Chairman William Lapsley, Vice-Chair J. Michael Edney, Commissioner Rebecca McCall, Commissioner Sheila Franklin, Commissioner Jay Egolf, County Manager John Mitchell, Assistant County Manager Chris Todd, Emergency Services Director Jimmy Brissie, Financial Services Director Samantha Reynolds, and Clerk to the Board Denisa Lauffer.

Farmland Preservation Coordinator Angela Price, Soil & Water Conservation District Director Jonathon Wallin, Social Media Coordinator Tiffany Lucey, and Finance Director Randal Cox; Deputy Kayla Brezillac provided security.

CALL TO ORDER/WELCOME

Commissioner Lapsley called the meeting to order and welcomed all in attendance.

INVOCATION

John Mitchell provided the invocation.

PLEDGE OF ALLEGIANCE

Chairman Lapsley led the Pledge of Allegiance to the American Flag.

PUBLIC COMMENT

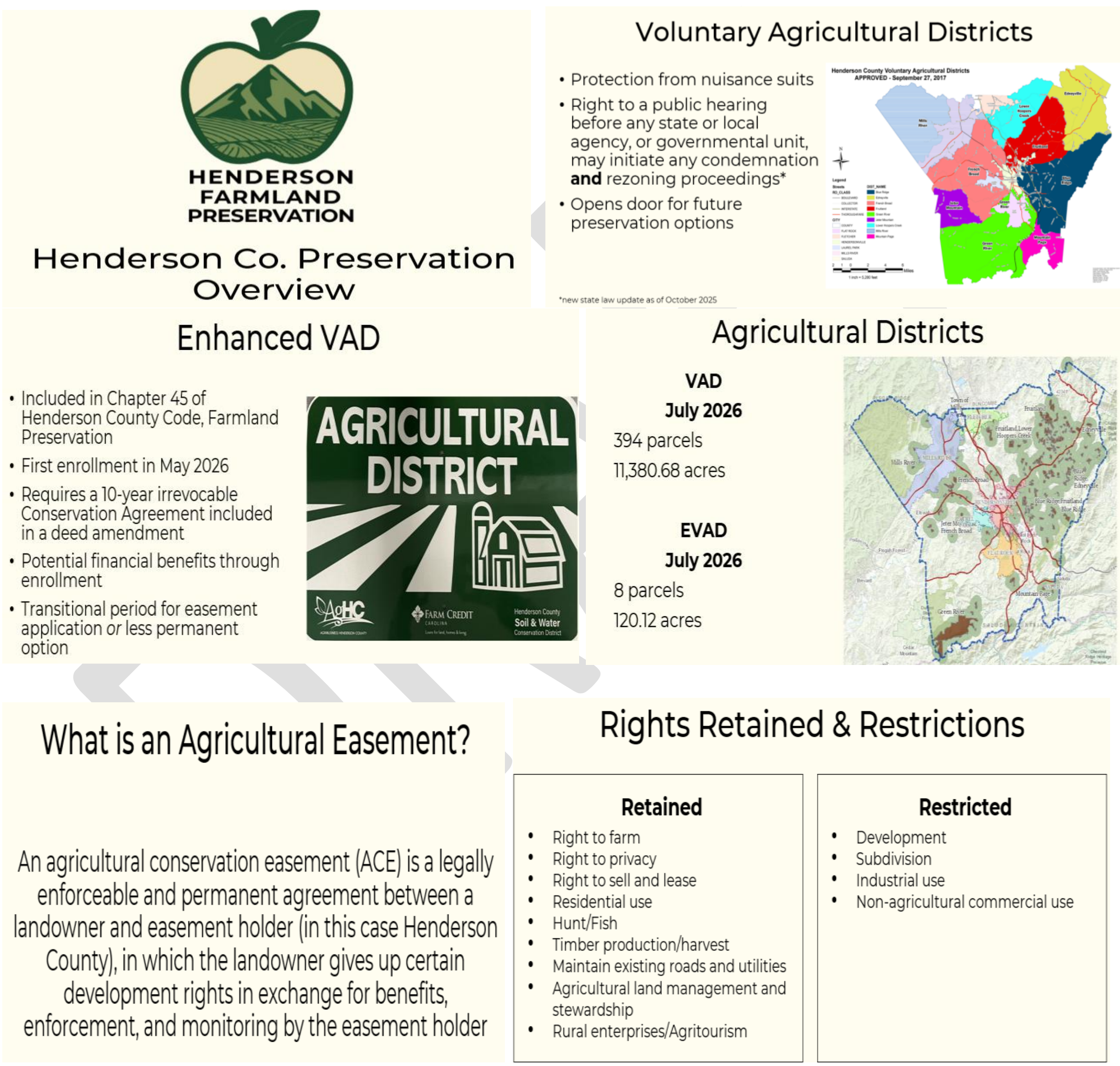
1. Mike Stepp, owner of Stepp's Hillcrest Orchard, stated that his family orchard has been in business for 60 years and that he purchased two parcels of property adjacent to the orchard, allowing the operation to expand its farmland while preserving the parcels from development. Mr. Stepp expressed his support for the bond referendum.
2. Linda Pryor stated that her family's farm began in 1939 on approximately 80 acres and has grown to approximately 1,100 acres, consisting of both owned and leased farmland. She remarked that once farmland is sold for other uses, it is unlikely to return to agricultural production. Ms. Pryor stated that protecting farmland helps preserve food production, the County's agricultural heritage, open spaces, natural resources, scenic landscapes, jobs, and the local economy. She expressed her appreciation to the Board of Commissioners for taking action to get the bond referendum on the November ballot.
3. Gary Steiner expressed appreciation to the Board for its support of farmland preservation and stated his support for the bond referendum. Mr. Steiner acknowledged the tight timeframe the Board was working with to place the referendum on the November ballot and expressed appreciation for its efforts.
4. Brett Werner stated information on the County’s website listed incorrect information regarding the Farmland Preservation Taskforce.
5. Adam Wallace expressed his support for the bond referendum.
6. Chuck McGrady expressed appreciation to the Board for its prompt action in moving to place the bond referendum on the November ballot, noting that the issue had been under consideration for several years. Mr. McGrady stated that since offering to lead a campaign in support of the referendum at the Board's previous meeting, he had received several calls

expressing interest. He said he expects the campaign to have broad community support.

FARMLAND PRESERVATION GENERAL OBLIGATION BOND REFERENDUM

The Board began consideration of the issue of a possible Farmland Preservation program. In doing so, the Board considered policy direction on key elements of the proposed farmland preservation program, including possible bond issuance strategy, application and selection criteria, easement administration, and long-term program implementation.

Farmland Preservation Coordinator Angela Price provided the following presentation:



Approved:

Rights Retained & Restrictions

The land within the easement *can:*

- Be inhabited
- Harvested
- Maintained and upkept

The land within the easement *cannot:*

- Further subdivided
- Developed
- Industrialized

Voluntary to join and made specifically to the request of the farmer

Rights Retained & Restrictions

Donation

- Landowner donates 100% of the easement value
- No compensation for development rights
- Eligibility for charitable donation tax benefits
- 1-2 years from project start date

Partial Grant Funded

- Landowner sells the development rights
- Grant funding is used to compensate for the rights
  - **Fair market value – Agricultural value = Easement value**
- Eligibility for charitable donation tax benefits on donated portion
- 2-5 years from project start date

Tax and Costs

Enrollment in an easement can provide potential tax benefits depending on the land. These benefits may include:

- Federal Income Tax Deduction
- Remaining in the Present Use Value Tax Program
- Property Tax Re-Evaluation post-development rights
- NC State Tax Credit
- Estate Tax Valuation and Reduction

Landowners are responsible for any IRS appraisals required to pursue tax benefits, legal counsel, and the hiring/consulting of a tax professional

AGZ Grant

"The purpose of the Local Agricultural Growth Zones program is to allow counties and conservation nonprofit organizations to enhance local investments in the acquisition of **agricultural conservation easements** by applying for matching funds from the state"

- Provides a rubric to score and rank easement properties
- Provides a local priority scoring sheet for farmland of county importance (proximity, existing enrollment, age)
- Lists requirements of surveyors, appraisers, attorneys, easement holders, and grantees
- Provides timeline for easement signing and due dates for milestones

Awarded: $424,571
County match: $396,974
Total: $821,545

ACE Process

Application (Varies; 1-4 months)

- Landowner initial conversation and return of application
- Information gathering on property, land-use plans, family/succession plans, etc.
- Site visit
- Application is ranked using the rubric

Approval (Varies; Depends on batching)

- Application and information introduced to Ag Advisory Board
- Board votes
- Application goes to B.O.C. for approval, transaction costs, landowner contract
  - Landowner is invited to both the Ag Board and BOC meeting to answer any questions regarding their land

ACE Process

Funding

- Likelihood of being selected or timeline of selection is dependent on grant rubric
- Funding preparation includes mapping, VAD enrollment, NRCS Conservation Planning, FSA records, Century Farm status, etc.
- Funding for purchase of development rights must be approved by Ag Board and B.O.C

Estimate Appraisal

- Initial report from the appraiser
- Site visit walk through and meeting
- Provides estimate for grant funding request

Approved:

ACE Process

Due Diligence (within year of contract signing)

Survey
- Site visit with surveyor
- Documentation of current structures
- Discussion of future development plans

Environmental site assessment
- Determines if there is, or have been, any hazardous materials on the property (Phase I)
- Remediation work if needed (Phase II)

Appraisal
- Fair market value – Protected agricultural value = Easement value
- Dependent on qualified easement appraiser's calculation (Yellow Book)

ACE Process

Due Diligence (within year of contract signing)

- Management Plan
  - Farmland and/or forestry management plan for the property
  - Includes agricultural goals/wishes of the landowner for conservation
  - Remaining in the PUV program
- Baseline report
  - Contains purpose of easement, limitations, reserved rights, public benefit, reasoning for choosing the project, and ideas/goals of the landowner
  - Maintains agricultural values for long-term monitoring and enforcement
  - Required by the IRS for charitable donation

ACE Process

Due Diligence (within year of contract signing)

- Title report
  - Easement attorney reviews and signs off on a clear title (free of encumbrances or leans)
  - Subordination agreement with lender if necessary (includes mortgages)
  - Attorney reviews and approves BDR
- Easement deed
  - Drafted by easement attorney
  - Reviewed by F.P.C, landowners, and landowners' legal representation
  - Schedule a sit-down with all parties and go through the deed
  - Finalized, signed, notarized, and recorded in County Register of Deeds Office

ACE Process

Closing

- Documents signed at closing: BDR, easement deed, settlement statement, title insurance and commitment
- Once recorded in County Deed Office, 90% funds can be released for easement purchasing
- Final documents sent to state for record keeping and grant blank, remaining 10% funds released

Post-closing

- Survey crew marks boundaries and posts signage
- Send out information regarding next steps for taxes
- F.P.C. and S&W takes over future monitoring

Post-Easement

After the easement agreement is closed, the property is marked by a survey crew with signage, and the easement holders (the County) takes the responsibility of monitoring and enforcement. This includes annual monitoring visits to ensure the restrictions of the easement are being met, and documentation of each visit recorded.

If there is a violation of the easement terms the landowners are notified and responsible for addressing the violation. After the time allotted, there will be another site visit to ensure proper action was taken.

Approved:

ADFPTF Conservation Easement Cost Averages 2021-2026

	Appraisal	Survey	BDR	EA	Legal Fees	Closing Costs
Statewide Average	$4,500.00	$12,600.00	$3,900.00	$2,700.00	$6,500.00	$1,700.00

Regional Averages	Appraisal	Survey	BDR	EA	Legal Fees	Closing Costs
Western	$7,400.00	$15,400.00	**$3,900.00**	**$2,700.00**	**$6,500.00**	**$1,700.00**
Northwestern	$3,400.00	$12,800.00	**$3,900.00**	**$2,700.00**	**$6,500.00**	$1,700.00
Southwestern	$3,000.00	$15,800.00	**$3,900.00**	**$2,700.00**	**$6,500.00**	**$1,700.00**
Southeast	$5,600.00	$13,000.00	$4,600.00	$3,200.00	$7,200.00	$2,800.00
North Central	$3,100.00	**$12,600.00**	$6,800.00	**$2,700.00**	$9,800.00	$1,900.00
Northeast	$3,900.00	**$12,600.00**	$4,300.00	$3,500.00	$8,700.00	$1,800.00
South Central	$3,100.00	$14,200.00	$4,000.00	$3,700.00	$9,300.00	**$1,700.00**

Summary

- Voluntary Agriculture Districts
  - Enter and leave at-will
  - Provides base level protections
  - Does **not** prevent subdivision or the sale for the purpose of development
  - Does **not** inherently indicate interest in a perpetual easement as it provides current daily advantages to agricultural landowners
- Enhanced Voluntary Agriculture Districts
  - 10-year irrevocable deed amendment
  - Prevents residential, commercial, and industrial development for 10 years
  - No financial compensation *but* can offer financial incentives
  - **Can** serve as a less permanent option to an easement or a stepping-stone to a more long-term option

Summary

- Agricultural Conservation Easements
  - A transaction of development rights for appraised compensation
  - Permanent deed amendment that prevents future development
  - 2-5-year long process determined during legal discovery
  - Either donated or partially grant funded
  - Farmland succession plan must be in place
  - Determined by a third-party appraiser:
    - **Fair market value – Agricultural land value = Development rights value (easement value)**

__All farmland preservation programs are landowner driven__. They are completely voluntary to join and will not face any pressure to enter any programs or (if in VAD/EVAD) extend their participation past the terms of agreement. Any landowner who is interested in an easement is __heavily encouraged__ to take the time necessary to decide for themselves and their families.

Funding is not used to purchase land but is used to compensate farmers for the development rights of their property- ensuring the land remains in agriculture permanently by preventing residential, commercial, and industrial development. There are no ownership changes on the deed; easements serve as a __deed amendment__.

Contact:
Angela Price
Henderson Soil and Water
828-697-4949

Neither the Soil and Water Conservation District nor the Farmland Preservation Coordinator are authorized to provide legal or tax advice. We ask that landowners have representation and consult with professionals before making decisions.

John Mitchell explained the procedural steps required before the Board could proceed with the next phase of the bond process. Samantha Reynolds advised that the Board must first introduce the bond order and adopt a resolution calling for a public hearing on it.

Vice-Chair Edney then moved the adoption of a bond order, which he read.

Approved:

BOND ORDER AUTHORIZING THE ISSUANCE OF $25,000,000 GENERAL OBLIGATION OPEN SPACE (FARMLAND) PRESERVATION BONDS OF THE COUNTY OF HENDERSON, NORTH CAROLINA

***WHEREAS*,** the Board of Commissioners (the "*Board*") of the County of Henderson, North Carolina (the "*County*") has ascertained and hereby determines that it is necessary to pay the capital costs of acquisition and improvement of land or interests therein for open space and conservation purposes, including, but not limited to, the protection of natural resources and preservation of farmland and scenic landscapes, including the acquisition of the development rights in the land; and

***WHEREAS*,** an application has been filed with the Secretary of the Local Government Commission of North Carolina (the "*Commission*") requesting Commission approval of the General Obligation Open Space (Farmland) Preservation Bonds hereinafter described as required by the Local Government Bond Act, and the Clerk to the Board has notified the Board that the application has been accepted for submission to the Commission.

NOW, THEREFORE, BE IT ORDERED by the Board of Commissioners of the County of Henderson, North Carolina, as follows:

Section 1. To raise the money required for the purpose described above, in addition to any funds which may be made available for such purpose from any other source, General Obligation Open Space (Farmland) Preservation Bonds of the County are hereby authorized and shall be issued pursuant to the Local Government Finance Act of North Carolina. The maximum aggregate principal amount of such General Obligation Open Space (Farmland) Preservation Bonds authorized by this order shall be $25,000,000.

Section 2. Taxes will be levied in an amount sufficient to pay the principal and interest of the General Obligation Open Space (Farmland) Preservation Bonds.

Section 3. A sworn statement of the County's debt has been filed with the Clerk to the Board and is open to public inspection.

Section 4. The bond order will take effect when approved by the voters of the County at a referendum scheduled for November 3, 2026.

Motion: Vice Chairman Edney made the motion to adopt the bond order.

As the Board is not permitted by statute to vote on the proposed bond order until after a public hearing, the Board moved to the consideration of financial disclosures to be made in the event such a bond order is adopted and a referendum held.

Chairman Lapsley noted that the bond and the bond order had now been introduced, and that for the matter to move forward the Board would need to make certain financial determinations regarding the bond, should it be approved and entered into the public record. He then moved and read the following:

STATEMENT OF DISCLOSURES ON
GENERAL OBLIGATION BONDS

The Board of Commissioners of the County of Henderson, North Carolina (the "*County*") introduced the following bond order (the "*Bond Order*") of the County at its July 27, 2026 meeting:

BOND ORDER AUTHORIZING THE ISSUANCE OF $25,000,000 GENERAL OBLIGATION OPEN SPACE (FARMLAND) PRESERVATION BONDS OF THE COUNTY OF HENDERSON, NORTH CAROLINA

To satisfy the requirements of Section 159-55.1 of the General Statutes of North Carolina with respect to the proposed bonds to be issued under the Bond Order, the following statements of disclosure are made:

(1) An estimate of the total amount of interest that will be paid on the proposed bonds over the expected term of the bonds, if issued, is $14,028,000. The estimate is based upon the following assumptions:

(i) the bonds will be issued in the aggregate principal amount of $25,000,000 in Fiscal Year 2027;

(ii) the bonds will amortize in 20 equal annual principal installments beginning in the fiscal year after the assumed date of issuance of such series of the bonds;

(iii) interest on each series of the bonds will be paid in semiannual installments over the expected 20-year term of the bonds and will bear interest at an interest rate of 5.344%, which represents the highest interest rate charged for similar debt over the last 20 years as determined by the staff of the North Carolina Local Government Commission. The Finance Director of the County believes this to be a reasonable assumption of the interest rate because the assumption conforms with a "safe harbor" rate that the North Carolina Local Government Commission has determined for purposes of its approval process.

(2) The County estimates an increase in the property tax rate necessary to service the proposed bonds of $0.0101 per $100 (equivalent to $10.10 per $100,000) of assessed valuation.

The estimate for the increase in property tax rate is based on a number of assumptions, including:

(i) the bonds will amortize as set forth in Section (1) above;

(ii) the County's property tax base is assumed to increase by approximately 1% annually commencing in Fiscal Year 2028, with the property tax revenue generated by $0.01 per $100 of assessed valuation equal to approximately $2,572,070 in Fiscal Year 2027 and increasing by approximately 1% annually thereafter;

(iii) the County does not apply any additional or alternative revenue sources towards the repayment of the debt service on the bonds, including, but not limited to, non-property tax revenues, federal and state grants or fund balance; and

Approved:

DRAFT

(iv) the County does not identify other budgetary savings to apply to debt service on the bonds from the amortization of existing debt or other items in the County's annual budget.

(3) The amount of two-thirds bonds capacity the County has available for the current fiscal year (Fiscal Year ending June 30, 2027) is $0.

The information contained herein is preliminary and is for general informational purposes only. There is no assurance that the assumptions on which this disclosure is based will occur, and the actual occurrence of certain of the assumptions is beyond the County's control. Differences between the actual circumstances at the time the bonds are issued from the assumptions included in this disclosure could result in significant differences between the disclosures made herein and the actual occurrences. The validity of the bonds authorized by the Bond Order is not subject to challenge on the grounds that the actual occurrences when issued proved to be different than the disclosures set forth in this statement.

This statement will be filed with the North Carolina Local Government Commission, posted online on the County's website, and maintained by the Clerk to the Board of the County.

Chairman Lapsley moved the foregoing Statement be adopted by the Board. All voted in favor and the motion carried.

Commissioner McCall then moved and read the following proposed resolution:

RESOLUTION OF THE COUNTY OF HENDERSON, NORTH CAROLINA REGARDING BOND ORDER AUTHORIZING THE ISSUANCE OF $25,000,000 GENERAL OBLIGATION OPEN SPACE (FARMLAND) PRESERVATION BONDS, SETTING A PUBLIC HEARING THEREON AND DIRECTING PUBLICATION OF A NOTICE OF SAID PUBLIC HEARING

WHEREAS**,** the bond order entitled:

"BOND ORDER AUTHORIZING THE ISSUANCE OF $25,000,000 GENERAL OBLIGATION OPEN SPACE (FARMLAND) PRESERVATION BONDS OF THE COUNTY OF HENDERSON, NORTH CAROLINA"

has been introduced at a meeting of the Board of Commissioners (the "*Board*") of the County of Henderson, North Carolina on July 27, 2026; and

WHEREAS**,** the Board desires to provide for the holding of a public hearing thereon on August 6, 2026 and the submission of a statement of debt and a statement of disclosures in connection therewith as required by The Local Government Bond Act.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA that the public hearing on said bond order will be held on August 6, 2026 at or about 9:30 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina.

Approved:

DRAFT

BE IT FURTHER RESOLVED that the Clerk to the Board is hereby directed to cause a copy of said bond order to be published with a notice of such hearing in the form prescribed by law in a newspaper of general circulation in the County on or before July 29, 2026.

BE IT FURTHER RESOLVED that before the public hearing, the County's Finance Director is hereby directed to (1) file a sworn statement of debt with the Local Government Commission of North Carolina and the Clerk to the Board in accordance with Section 159-55 of the General Statutes of North Carolina and (2) file with the Clerk to the Board and the Local Government Commission of North Carolina and post online a statement of disclosure in accordance with Section 159-55.1(a) of the General Statutes of North Carolina.

BE IT FURTHER RESOLVED that this Resolution shall become effective on the date of its adoption.

READ, APPROVED AND ADOPTED on July 27, 2026.

Commissioner McCall moved the foregoing Resolution. All voted in favor, and the motion carried.

Chairman Lapsley made the motion to adjourn the meeting at 10:43 a.m. All voted in favor, and the motion carried.

ADJOURN

________________________________ ________________________________

Denisa A. Lauffer, Clerk to the Board William G. Lapsley, Chairman

Approved:

DRAFT