

*Home Of The North Carolina Yam Festival*

TOWN OF TABOR CITY

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April 22, 2022

Mr. G. Nicholas Herman, Attorney  
The Brough Law Firm  
1526 E. Franklin Street  
Chapel Hill, NC 27514

Mr. Herman:

Thank you for speaking recently with the Town of Tabor City concerning our desire to hire your law firm to assist us with a matter. Our Council is looking for a reputable law firm that has extensive experience in local government law and ethics. We believe the Brough Law Firm is uniquely qualified to assist us at this time.

As we have discussed with you, the purpose of this letter is to put into writing the issues we need help on and to specifically ask you questions that we would like a legal answer to. We ask that your firm write back to us as we are pretty certain that we will be needing a written letter to direct our steps in the future.

1. A MATTER OF OWNERSHIP: You have been advised that our Town Manager ( Al Leonard) is a partner in two investment groups that have a track record of purchasing buildings in our downtown in Tabor City and investing in their improvement. In some cases, these investment groups have sold the properties after extensive renovations efforts. In some cases, the investment groups are actively renting buildings until such a time as they can be sold.

In general, we respect the Town Manager and his co-investors for putting substantial amounts of money into our downtown. Tabor City's local economy has struggled for decades now and some of our downtown buildings have sat vacant until they have become blighted and unusable. When we see folks willing to try and bring those buildings back to viability, we want to encourage that.

Obviously, the Council knows that in the Town Manager's role in our local government, he has to walk a fine line between being an investor and also wearing his official regulatory hat. The

council thinks that Mr. Leonard has indeed walked that fine line and separated those two roles. But, many in our community do not.

The Town Council here voted a few years ago to pursue a US Department of Commerce (EDA) grant to revitalize three storefronts on West Fifth Street in our downtown. For the record, that property was donated to the Town of Tabor City by an investment group out of the greater Atlanta area that once owned it. (For reference, I will refer to this as the "furniture store property.") The board was happy to try and salvage, predominantly through federal grant dollars, this the largest vacant commercial building in downtown that was in tremendous disrepair.

Yet, we continue to hear that the building that is the subject of this EDA grant was once owned by the Town Manager and that he somehow "profited" off of this grant. Our Council is pretty certain that this furniture store property was never owned by the Town Manager and was donated to the town government at no cost. Specifically, will your firm research the property known as Columbus County Tax Office parcel #10990 (or 128 W. Fifth Street) and advise our Town Council of its ownership for the past 40 years? We need to know definitively if our Town Manager ever owned this property known as the "furniture store."

2. A MATTER OF BEING ADJACENT TO THE EDA IMPROVED PROPERTY: The property at 128 W. Fifth Street that is referenced above once housed a Helig-Meyers furniture store back in the 1980s and 1990s. There is a parking lot beside the building that is being improved where the employees and customers of Helig-Meyers once parked.

The Town government saw the need to re-pave this parking lot as the old Helig-Meyers building was being renovated. While researching the ownership of this parking lot, the Town Manager discovered that one of the investment groups that he is a member of actually owned about 40% of the parking lot. Nobody had thought this was the case as historically the lot was used by the old furniture store.

Upon discovering that the group he was a part of owned the parking lot that was being discussed for upgrading, Mr. Leonard divested himself completely from any ownership of the portion of the parking lot in question. The Columbus County tax records show that on December 28, 2020, this portion of the parking lot was cut off from the investment group's property and was deeded to a sole investor. The Town government is now giving consideration to acquiring this remainder of the parking lot from this sole investor. Some in the community question that if the Town purchases this land that the Town Manager somehow will profit off of this property transaction.

Specifically, will your firm research the property known as Columbus County Tax Office parcel #98934 and advise our Town Council if indeed the Town Manager has divested himself from any ownership of this part of the parking lot? Similarly, is the Council clear to try and purchase the remaining 40% of the parking lot that we do not own from the sole investor?

3. INSIDE KNOWLEDGE: Finally, we would like for your firm to advise us on the matter of ethics regarding the Town's decision to accept the donation of the largest vacant building in our downtown, the furniture store property. This building (and about 60% of its accompanying parking lot) are adjacent to a building (and 40% of the parking lot) owned by the group that the Town Manager is an investor in. The investment group that the Town Manager was a member of had owned the adjacent property for about a year prior to the Town accepting the donation of the old furniture store property. That investment group was in the middle of a repair effort on the building that they owned when the town government took possession of the land next door.

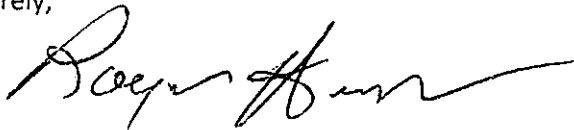
I have been asked by some if it was ethical for the Town to get a federal grant to improve a property that was adjacent to a property that the Town Manager was simultaneously investing in. I can state to you that the Manager had no voice in our decision to accept the donation of the furniture store property or to apply for the EDA grant to fix it back up. That was clearly, and solely a decision of the Council. When the Council decided to pursue ownership of the furniture store property, the Town Manager was carrying out the desires of the Council---not his own personal agenda.

Nonetheless, we would like for your firm to see if any laws were broken when we accepted the donation of the furniture store property to the Town at no cost (but was adjacent to land owned by one of the investment groups that the Manager participates in).

Thank you for looking into these three matters. We need to make sure that our citizenry has full confidence in their Town Council and how we conduct our affairs. Please call on me or the Town staff if you need any assistance as you research these issues. I have attached property tax cards and a map of the properties discussed in this letter.

We look forward to your answers, your advice, and your timely reply.

Sincerely,

A handwritten signature in black ink, appearing to read "Royce Harper". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Royce Harper  
Mayor







