

**MOUNT AIRY, NORTH CAROLINA
CLOSED SESSION MINUTES
April 19, 2018**

MEMBERS PRESENT: Mayor David L. Rowe, Commissioners Jim Armbrister, Shirley Brinkley, Dean Brown, Jon Cawley, and Steve Yokeley

CLOSED SESSION:

On motion by Commissioner Armbrister, seconded by Commissioner Brinkley and passed unanimously, the board entered into closed session pursuant to:

- a) NCGS 143-318.11(a)(4) to Discuss Matters Relating to Economic Development**

~Steel Buildings & Structures:

Todd Tucker stated that Steel Buildings and Structures is a carport manufacturing business who would like to purchase property in the Piedmont Triad West Corporate Park. They are looking at one of the better last commercial sites in the park-around 33-35 acres. They want to build a new building and have \$1 million to \$1.5 million in investment and prospect to employ up to 100 people. This company is growing and hiring a lot of people.

Consensus: Todd Tucker to negotiate with Steel Buildings & Structures for price of property.

~This item remains sealed.

~Mayberry Mall Update:

The K-Mart roof is more than 50% completed. [REDACTED] sued for the right of first refusal on the mall and asked for a preliminary injunction to stop the sale to Mr. Smith. [REDACTED] reviewed the contract with Mr. Smith along with all information and [REDACTED] still hasn't made a decision. The Judge denied the request for a restraining order which means that the sale to Mr. Smith at this point could go through unless [REDACTED] does something else to try to block it.

OPEN SESSION:

On motion by Commissioner Brinkley, seconded by Commissioner Yokeley and passed unanimously, the board entered back into open session with the following:

~Financial Advisor Discussion:

Barbara Jones asked the board if they want to meet the financial advisor or have them do a presentation before a contract is signed.

Commissioner Yokeley said he would suggest they hire an advisor and sign the contract to move forward quickly.

Board consensus is for staff to move forward with hiring a financial advisor and execute a contract with no meeting or presentation to the Board of Commissioners.

~Attorney Discussion:

Commissioner Yokeley asked when they would hire an attorney.

Barbara Jones stated she hasn't communicated with the attorney.

Hugh Campbell stated he spoke with the attorney-Bob Jessup and he calculated the cost the Board approved at this meeting. He estimated a cost for this project and said \$5,000 is the maximum for this. He also said if it runs less than \$5,000, he won't bill the full \$5,000.

Barbara asked if anyone will have communications with Mac McCarley or is it understood he will no longer be needed for the project. Please keep in mind that Tyler Smith, Richard, another attorney, and Mac's assistant that have been doing work but holding their invoices for closing. The email stated that if something happens and the project doesn't move forward/close, the city will then need to pay those invoices. We have estimates-we have not seen any actual costs. Mac did speak with staff and stated that if it was going to be a long period of time, they can't hold those invoices so the city may be receiving them. Mac will be sending his invoices for February and March sometime soon.

Commissioner Armbrister stated he knows the LGC issue was the Barter agreement and how it didn't show enough buy-in for the Barter. Who informed the Barter to see if they had anything else to offer?

Mayor Rowe contacted the Barter.

Martin Collins stated one of the reasons that Mac has continued to be on conference calls is because the developers include him on their emails. Martin will send the developers (only the developers) an email and when they respond back, they include Mac in the email thread. Hugh isn't included on the emails so he was unaware this was happening.

Martin Collins stated there was a request to ask Tyler for documentation on the New Market, Federal Historic, and State Mill tax credits and Tyler said he can write a general letter but he didn't know how much weight it would hold. If the city wanted Tyler to do something with more weight, that would involve conversations with potential buyers and would include Tyler and some city staff communicating with banks/insurance companies/potential buyers, he can arrange that. That will involve creating a scope in which the city would end up paying for. In order to move with that, Tyler would need the green light from the city instructing him to take that action. Tyler mentioned the city is getting toward the end of the line on the New Market Credits because that is something he should have been creating those relationships with investors last month.

Barbara Jones stated the city is going to need a lot of information for the final LGC decision. Her understanding was that in preparation for the LGC was to present to the LGC staff to see if they would give the green light to go to the commission. Once they got to the commission, the city would have to do an application, get on the calendar for meeting, have everything they requested in hand to get their approval.

Commissioner Yokeley stated he thinks they will need something from Tyler-at least the letter from him.

Hugh Campbell stated they will be going back to the LGC but not the same staff, they will be meeting with the Deputy Treasurer.

Consensus: Meet with the attorney, Bob Jessup to see what he suggests and what is needed to take to the next meeting with the LGC.

Barbara stated staff hasn't been involved with any of this so the board will need to inform staff on what they need to do and what they need to provide.

Barbara asked if it is understood that there will be no further communication with Mac or will someone need to contact him. She feels he should be contacted as a courtesy.

Consensus: Mayor Rowe will send a letter to Mac McCarley.

~Local Government Commission/Barter Theatre Discussion:

Martin Collins stated the city presented Tyler's model to the LGC. They looked at it and asked what assurance the city has they will receive the tax credits-are they absolutely for certain. The city can't say they are certain, especially for New Market because those tax credits are competitive. For the historic credits, if you properly plan and do as expected in the project, they will receive those tax credits.

Commissioner Brinkley asked about the infrastructure.

Barbara stated there was a meeting today with the developers. They talked about phasing the infrastructure. This way, the apartment complex can go ahead and move forward with their project. Kevin Heath, the engineer who is working on the infrastructure, recommended to move forward with bidding out the infrastructure for the apartment complex piece (phase I) and advertise for bids around April 29, 2018 get those to the Board by June for awarding of the contract for the phase I of the infrastructure. This does not take into consideration the infrastructure for the hotel or potential theater.

Martin Collins stated Dana doesn't have many of the answers that the engineer needs in order to finish the design of the project. As far as design, she may not be much farther along than the city.

Commissioner Brinkley stated that if the Barter falls through and the hotel doesn't come, once the apartments are constructed, someone may want to come in and do something with the rest of the property.

Commissioner Yokeley stated it will probably be the end of May before they go back to the LGC.

Mayor Rowe stated it may depend on the lawyer's advice on what to present and what the LGC needs.

Barbara Jones stated when they talked with the LGC, they are going to have to figure out how to coordinate with the LGC on how to get the borrowing of infrastructure in line to fit in the time frame of awarding a bid to the contractor on June 8, 2018 so it doesn't hold them up.

Mayor Rowe stated one thing the LGC wanted in hand was the pledges and he was always thinking that it is the borrower's responsibility to do that but the city is supposed to give them \$100,000 to hire someone to run the campaign.

Barbara stated her understanding was that Rick Rose is planning to run the campaign and hire someone to do that but the City would front the money. As the pledges/money comes in, it would come out of the pledges to pay the city back.

Mayor Rowe mentioned the LGC staff said they will not recommend this project to the Commission because the Barter has no risk in the contract. His opinion is if the Barter doesn't change something in the contract that puts some risk on them, the LGC staff isn't going to approve it. He spoke with Rick Rose of the Barter Theatre twice asking them to have some concession in the agreement. Rick informed him that isn't going to happen.

Mayor Rowe stated the pledges were one part of about eight different things the LGC staff wanted. The major part was some risk transferred to the Barter.

Commissioner Yokeley stated the Barter is still interested. The city needs to let the Barter know what they need to do within the contract for LGC staff approval.

Hugh Campbell stated that is one purpose of going back to the LGC-to see what they suggest for the Barter to include.

These minutes are sealed until transaction consummates or terminates.

ADJOURNMENT:

On motion by Commissioner Armbrister, seconded by Commissioner Brown and passed unanimously, the meeting was adjourned.

Approved this the 4th day of October, 2018.