

**MOUNT AIRY, NORTH CAROLINA
CLOSED SESSION
March 4, 2021**

MEMBERS PRESENT: Mayor Pro Tempore Ron Niland, Commissioners Jon Cawley, Tom Koch, Marie Wood, and Steve Yokeley

APPROVAL OF AGENDA:

On motion by Commissioner Wood and passed unanimously, the agenda was approved.

APPROVAL OF MINUTES:

Commissioner Koch made a motion to approve the June 18, 2020 and July 16, 2020 Closed Session Minutes and it was approved unanimously.

CLOSED SESSION:

**Pursuant to NCGS 143-318.11(a)(4) Economic Development
Option with Hotel Developer for Spencer's Mill Redevelopment:**

Hugh Campbell distributed the proposed option agreement with Sunhouse Hospitality, LLC and reviewed the 6th draft agreement. The highlights are: the definition of this boutique hotel is a recognized national brand. He reviewed the changes mentioned in the draft agreement for the Board.

They are anticipating around \$3,000 for the environmental assessment and around \$7,000 of application fees and expertise related to the application to SHPO and National Park Service. If for some reason the project doesn't close, the developer would assign those to the city and the city would reimbursement them up to \$10,000. If it closes, the developer will get a credit for the \$10,000 as a fee off of the purchase price.

The plan is to bring this back in final form to the next Board Meeting for board consideration.

Hugh asked for any board feedback relating to the option agreement.

Commissioner Koch stated that once they start this, they need to see it through to the end. Hugh Campbell stated there are no contingencies-this is an agreement to participate financially whether or not those other public money coming in or not. Commissioner Koch stated the board depends on Hugh Campbell to look after the City's interest. Hugh Campbell feels this is a good option agreement and it does protect the city. Mayor Pro Tempore Niland mentioned that they will work hard on securing outside funding to help with this project.

The proposed cube annex project will house the TDA, Chamber, MAD, and possibly the SCEDP and they will all pay rent based on what they are paying now, which will be around \$100,000/year.

Commissioner Cawley asked if the hotel developer can't get a national brand to get on board, will the board be ok with that? The Board is ok with it but feels that the developer will get a national brand on board.

These minutes are sealed until the transaction consummates or terminates.

OPEN SESSION:

On motion by Commissioner Koch and passed unanimously, the board entered back into open session.

Approved and adopted this the 3rd day of February, 2022.

CLOSED SESSION