

**MOUNT AIRY, NORTH CAROLINA
REGULAR MEETING MINUTES
February 4, 2021**

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

Mayor Pro Tempore Ron Niland called the meeting to order and welcomed everyone including special guest former Mayor David Rowe and Mount Airy Public Library Branch Manager Pat Gwyn.

APPROVAL OF AGENDA:

Commissioner Wood requested to make comments prior to the beginning of the public hearing and made a motion to approve the agenda, which passed unanimously.

CONSENT AGENDA: On motion by Commissioner Koch and approved unanimously, the following item was approved by way of the consent agenda:

- **RESOLUTION ORDERING ADVERTISEMENT OF UNPAID TAXES: #2021-047:**

RESOLUTION NUMBER 2021-047

**A RESOLUTION
ORDERING ADVERTISEMENT OF UNPAID TAXES**

WHEREAS, the Staff Accountant, in her capacity as Tax Collector, has submitted a report on unpaid 2020 Taxes, which constitute a lien on real property as required by G. S. 105-369 (a) and,

WHEREAS, G. S. 105-369 (a) provides for the advertisement of such taxes,

NOW THEREFORE BE IT RESOLVED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

Section 1. In accordance with G. S. 105-369 (a), the Staff Accountant is hereby authorized, empowered, and commanded to advertise unpaid taxes for the current fiscal year that are liens on real property at least once between March 1 and June 30.

Section 2. This Resolution shall become effective upon approval by the Board of Commissioners of the City of Mount Airy.

Adopted and approved this the 4th day of February, 2021.

(end of consent agenda)

SPECIAL RECOGNITIONS:

Recognition of Pat Gwyn, Mount Airy Public Library

Mayor Pro Tem Niland presented Pat Gwyn of the Mount Airy Public Library with a Resolution of Recognition upon her retirement after 49 years of service, expressing the Board's sincere appreciation for her invaluable contributions to the City and its citizens.

SPECIAL PRESENTATION:

Tourism Report, Jessica Roberts, Executive Director of Mount Airy TDA

Jessica Roberts reviewed the Quarterly Tourism Report and distributed copies to the Mayor and Board of Commissioners. She noted the effect of the pandemic on the U.S. tourism economy as well as local tourism. Although tourism declined at the beginning locally, it is beginning to return. TDA cut their budget by 25% in anticipation of the decline, but currently show a decline of under 14% for the current budget year. She also shared the latest copy of their brochure with the Board.

PUBLIC HEARING:

Spencer's Mill Redevelopment Project

Commissioner Wood made comments prior to the beginning of the public hearing. She stated that figures presented at the last meeting on this project left some with sticker shock. The Phase 2 cost, estimated at \$2.9 million, includes estimates for the hotel and market center of \$1.6 million dollars, which includes parking, driveways, site grading, water and sewer lines, and storm drainage. The balance of \$1.3 million is unrelated to the hotel but is necessary to repair aging water and sewer lines. She stated that this street work needs to be done even without the hotel property. She sees a much bigger return on the investment to the City and its citizens beyond the City's public investment. She does not see this as giving away the City's money, but as an investment in the future.

Mayor Pro Tempore Niland declared the public hearing open.

Deputy Clerk Carolyn Hegler read comment(s) on behalf of:

Jack Austin, 228 Cross Creek Drive: Opposed to city taxpayer funding of Spencer's project.

Norman Hunter, 416 Welch Road: Against city tax increases.

Thomas Snow, 207 West Lebanon Street: Against spending city taxes on Spencer's project.

Barbara Wood: Does not agree with spending tax money on Spencer's project.

John Pritchard, 128 Ridgecrest Drive: Believes apartment building parking lot was not handled properly and has concerns about the new project. Thinks developers requests are unrealistic and asks for wise stewardship of taxpayer funds.

Ashley Wallace: Supports downtown hotel.

Aracele Zubieta, 132 Buck Shot Trail, Elkin: Lives in county, works in the city. Believes downtown hotel would be an asset to the city.

Tasha Mason, employee, Hampton Inn: Believes the downtown hotel would be great addition to the city.

Heather Elliott, 681 Maple Street: Supports hotel downtown. Believes hotel would bring more visitors to our downtown area.

Dawn Wallace, Assistant General Manager, Hampton Inn: Has worked in hotel business for 19 years. Believes there is a need for a hotel in the downtown area and that it will be a huge asset to downtown and the entire city. The developers will become an even greater corporate citizen and partner.

Edward Elliott, 253 East Lebanon Street: Loves to go downtown and meet our visitors. Supports the project and believes it will be a great addition.

Herman Heil, resident and HOA board member of Renfro Lofts, 165 Virginia Street: Excited about the redevelopment plan. Hopeful this will go through. Believes it will be good for their residents, the apartments, downtown merchants, and the city of Mount Airy.

Lenise Lynch, General Manager, Hampton Inn: Has worked in the hotel industry for 14 years and served on the TDA Board. The market for Mount Airy is primarily leisure and believes there is room for growth in the marketplace for additional hotel rooms. Has had many inquiries from people wanting a hotel near the downtown area. Many benefits to the City, its citizens, businesses and downtown. Asks the Board to work with the developers in this project that will benefit our city.

Kym Goins, 309 West Oakdale Street: Supports hotel in downtown Mount Airy. Loves the redevelopment of the Spencer's project and loves our downtown.

Candace and Macon Sammons, 156 Foxcroft Drive: Believes the Board should make a wise and courageous approach in making this project come our way. This project will have a positive effect on our local businesses and the growth of our community. Hopeful that all parties will work in good faith to make it happen.

Beverly Bruce: Lives near the new Spencer apartments and loves how they turned out. The remaining property is still an eyesore and believes it would be a blessing to see it developed into a hotel.

Jessica Johnson, 133 Eaton Road: Considering an investment in downtown contingent on the City's investment in the hotel downtown. Supports the project and any funding needed. Visitors always ask about a downtown hotel. Asks the Board to fund the infrastructure efforts.

Kelly Whitaker, 133 Eaton Road: Believes new businesses will bring young families to our area, creating generations of tourists. Asks Board to consider bringing the hotel to the downtown area.

In-person Comments:

Joseph Zalescik, 1541 West Devon Drive: Small business owner, member of Planning Board. Fully supports downtown hotel and infrastructure improvements. Cities need good infrastructure to have a good city. Hoping to see a real commitment from a hotel chain but if not, the facility could be used for other purposes, such as apartments, incubator businesses, artworks, etc. Look for grants including CDBG.

Carolyn Shoate, Manager, Spencer's Mill Apartments: Apartments rent for \$1,100, \$1,335 and \$1,500 inclusive of utilities. Filled to capacity in five months from 17 states and 3 countries. Mount Airy is ready for the next step. Selling points including greenway, biking, downtown shops and restaurants, and Market Street. Has 20-25 on a waiting list. These are professionals coming to this area. Hotel would be great, but we need additional housing also.

Chris Lumsden, resident Spencer's Lofts; Chairman, Chamber of Commerce; CEO, Northern Regional Hospital: Speaking in support of Spencer's Redevelopment project. Hotel development along with other improvements are a welcome addition to historic downtown. Investment needed will produce substantial short and long-term economic benefits to city and county, a project most towns only dream about. Hotel complex would bring more visitors, helping local businesses, attracting more professionals and young people and families, and also new business and industry bringing new capital and jobs to our area.

Jan Kriska, business owner: His businesses are close by the project, but believes the project will gain momentum and it will be money well spent. You are building a legacy. Some will always be against it, but the City is heading in the right direction with this project.

Jessica Roberts, TDA: Mount Airy is a tourism destination. We do not currently have a hotel in the downtown area, and no full-service lodging inside Surry County. The new hotel concept would encourage more visitors during the week and bring in larger events if meeting space is included. This combination would allow us to accommodate numerous requests that we cannot currently accommodate. Project would contribute to the downtown transformation, and attract groups to the area, as well as overnight visitors, and benefit our local citizens as well.

Dawn Wallace, Hampton Inn: Owners of the Hampton Inn are the proposed developers for the new hotel project. They have a heart for Mount Airy and want to partner with local businesses and projects. This project will add to the area and there is a need for a downtown hotel that is walkable to shops, restaurants and attractions. There is also a need for meeting space. She believes what the city invests in this would be returned in ten years with the increase in property taxes, sales taxes, and such. The developers are excellent people and want to do right by our town with a beautiful hotel that our residents and visitors can enjoy.

PUBLIC FORUM:

Mayor Pro Tempore Niland declared the public forum open.

Deputy Clerk Carolyn Hegler read comment(s) on behalf of:

Durenda Wilson, 125 West Church Street: Loves this community and our citizens. Expressed concerns about future economy and mandates for the pandemic. Questions Covid cases, testing, and statistics. Wants our liberties to be protected and thinks individuals should make their own choices in taking precautions. Reminded board members of their duty to uphold the constitution now and in the days ahead. Also concerned about the upcoming Equality Act.

In-Person Comments:

Jared Heath, Concerned Citizens of Surry County: Eight years in Marine Corp. Runs internet and computer business. Has lived here for two years. Federal government is overreaching. Was in Washington DC on January 6. People just want their country back. Everyone is wearing masks and is afraid. Doesn't know why we are worrying about this in Mount Airy. Board needs to resist the tyranny that is coming, and protect businesses that want to do the right thing. Believes Equality Act will ban Christian speech online.

With no one else wishing to speak, Mayor Pro Tempore Niland declared the public forum closed.

OLD BUSINESS

2020 Annual Fire Department Report

The Board expressed appreciation to the Fire Department for their service and for the comprehensive annual report.

NEW BUSINESS

ORDER #2021-001 CLOSING A PORTION OF WOODRIDGE DRIVE:

On motion by Commissioner Koch, and passed unanimously, the following order was adopted:

ORDER NUMBER 2021-001

ORDER TO CLOSE AN UNOPENED PORTION OF WOODRIDGE DRIVE

WHEREAS, the City of Mount Airy Board of Commissioners have been petitioned by Mike Caputo requesting the City to close an unopened portion of Woodridge Drive, which is referenced in the Surry County Register of Deeds office in Plat Book 36, Page 164. The applicant's property is located adjacent to the unopened section of Woodridge Drive and identified as Surry County tax parcel 5022-04-62-0222 and 5022-04-62-3934, some or all of which is legally described in Book 1679, Page 662, Surry County Registry; and

WHEREAS, the Mayor and Board of Commissioners of the City of Mount Airy adopted a Resolution on December 17, 2020 as by law prescribed declaring intent to close said unopened portion of Woodridge Drive, shown on the survey map prepared by Franklin G. Kinder, which is filed with the petition. The City of Mount Airy scheduled a public hearing for January 21, 2021, publishing notice thereof once a week for four consecutive weeks in the *Mount Airy News*, a newspaper qualified for legal advertising in the City of Mount Airy and County of Surry of North Carolina; and

WHEREAS, all persons entitled to notice, whether by certified mail or by publication of notice, have been notified of the public hearing and afforded an opportunity to express their views, whether in favor of the closing of the subject unopened portion of Woodridge Drive or whether opposed thereto; and

WHEREAS, a notice of the public hearing was posted as by law required along and upon the portion of Woodridge Drive to be closed during the period notice thereof was published in the *Mount Airy News*; and

WHEREAS, no individual owning property in the vicinity of the portion of Woodridge Drive to be closed would be deprived of a reasonable means of ingress and egress to their property and closing of the unopened portion of the street is not contrary to public interest; and

WHEREAS, the Board of Commissioners, having conducted the public hearing, concur that the property herein described be closed:

NOW, THEREFORE, BE IT ORDERED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

- Section 1. The unopened portion of Woodridge Drive, shown on the attached survey map, be closed effective February 4, 2021.
- Section 2. The City of Mount Airy shall retain a 25' (12.5' each side) easement over the existing water and sewer lines that runs through the current right-of-way to the satisfaction of the Public Services Department.
- Section 3. That a certified copy of this Order be recorded in the Office of the Register of Deeds of Surry County.
- Section 4. This order shall become effective upon approval.

BE IT FURTHER ORDERED that the map of the City of Mount Airy be amended to reflect said change.

Approved and adopted this the 4th day of February, 2021.

RESOLUTION #2021-048 REGARDING UNWIND AGREEMENT FOR PROPERTY LOCATED AT CORNER OF SOUTH STREET AND FRANKLIN STREET:

On motion by Commissioner Wood, and passed unanimously, the following resolution was approved:

RESOLUTION NUMBER 2021-048

RESOLUTION TO INVOKE UNWIND AGREEMENT

WHEREAS, the City of Mount Airy Board of Commissioners conveyed to Ky T. Nguyen a certain parcel of land by deed (the “Deed”) dated August 23, 2019 recorded August 30, 2019 in Book 1680, Page 0901, Surry County Registry. The parcel of land is that vacant land identified as tax parcel 5020 15 54 6661 located on Franklin Street and South Street in Mount Airy, North Carolina containing 3.204 acres, more or less, as shown in Plat Book 18, Page 144, Surry County Registry (the “Property”); and

WHEREAS, the purchase price paid by the purchaser was \$175,000.00; and

WHEREAS, the City’s sale and transfer of the Property was made subject to the terms of an Unwind Agreement described in the Deed; and

WHEREAS, due to the COVID-19 pandemic causing heightened uncertainty and other considerations, Ky T. Nguyen is unwilling to construct the facilities according to the plans and specifications first proposed. As such, the property has not been developed as anticipated, and the Board has notified the owner of its intent to unwind the transaction and retake ownership of the Property in accordance with the Unwind Agreement. Ky T. Nguyen has agreed to convey the Property to the City in accordance with the Unwind Agreement; and

WHEREAS, in its reasonable good faith judgment, the Board determines that re-acquiring the Property is in the public interest:

NOW, THEREFORE BE IT RESOLVED BY THE CITY OF MOUNT AIRY BOARD OF COMMISSIONERS MEETING IN OPEN SESSION THAT:

- Section 1. The Board of Commissioners does hereby invoke the provisions of the Unwind Agreement set forth in the Deed.
- Section 2. The Board instructs the City Attorney to prepare all necessary documents to complete the re-acquisition of the Property according to the terms and conditions of the Unwind Agreement. Cost of re-acquisition will be approved in a separate budget amendment.
- Section 3. The Board authorizes the Mayor *Pro Tem* to execute said documents once prepared by the City Attorney.

Section 4. This resolution shall become effective upon approval.

Approved and adopted this the 4th day of February 2021.

BUDGET ORDINANCE AMENDMENT #2021-019 REGARDING UNWIND AGREEMENT FOR PROPERTY LOCATED AT CORNER OF SOUTH STREET AND FRANKLIN STREET

On motion by Commissioner Yokeley and passed unanimously, the following resolution was approved:

A21-009

**ORDINANCE # 2021-019
BUDGET ORDINANCE AMENDMENT**

WHEREAS the City of Mount Airy adopted the 2020-21 budget on June 11, 2020;

AND WHEREAS the City of Mount Airy will invoke the unwind agreement on the property located at Franklin and South Streets:

AND WHEREAS it is necessary to amend the budget ordinance in order to appropriate these funds in order to purchase the property and pay associated fees;

AND WHEREAS General Statute 159-15 of the North Carolina Government Fiscal Control Act provides authority to amend a current municipal budget;

NOW, THEREFORE, be it ordained that authorization is hereby given to make the following adjustments:

	Increase (Decrease)
Section 1. <u>General Fund Appropriations</u>	
Legislative	175,388
	<u>175,388</u>
Section 2. <u>General Fund Revenue Estimates</u>	
Appropriation of Fund Balance	175,388
	<u>175,388</u>

Adopted this 4th day of February, 2021

REMARKS BY OFFICIALS:

Commissioner Cawley: Always good to hear public input, and that is always valued by the board. Great to live in a town that everyone wants to visit.

Commissioner Koch: Thanks to everyone that wrote in or spoke both for and against on Spencer’s and other issues. Citizen input is essential and comments are encouraged. Also, when you have a chance to get the vaccine, get it.

Commissioner Yokeley: Great to hear both sides of any argument, especially when it can be done respectfully. Always good to hear different ideas. Remarkable that someone like Pat Gwyn can spend so long and make such a difference in their career. She has affected so many people during this time and we should all strive to do that.

Commissioner Wood: Thanks to Surry County Health Department for their easy and efficient process. Also, Happy Retirement to Pat Gwyn.

Mayor Pro Tem Niland: Honored to serve with this fine group, who appreciates the public and their input. Sometimes we have to make difficult decisions, but he has a lot of confidence in this group. Also thanks to staff who keep us on track and to our guests.

ADJOURN:

On motion by Commissioner Koch and approved unanimously, the meeting was adjourned.

Approved and adopted this the 4th day of March, 2021.

Ronald M. Niland, Mayor Pro Tempore

ATTEST:

Carolyn Hegler, Deputy Clerk