

**MOUNT AIRY, NORTH CAROLINA
REGULAR MEETING MINUTES
January 17, 2019**

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

APPROVAL OF AGENDA:

On motion by Commissioner Brinkley, seconded by Commissioner Brown and passed unanimously, the agenda was approved.

CONSENT AGENDA:

On motion by Commissioner Armbrister, seconded by Commissioner Yokeley and passed unanimously, the following items were approved by way of consent agenda:

- **APPROVAL OF JANUARY 3, 2019 REGULAR MEETING MINUTES:** _____
- **RESOLUTION NUMBER 2019-037-APPROVING TAX RELEASES:** _____

RESOLUTION NUMBER 2019-037

Approval of Tax Releases

WHEREAS, a list of taxes to be released has been submitted by the Revenue Collections Assistant II in her capacity of Tax Collector for the City of Mount Airy Finance Department; and

WHEREAS, North Carolina General Statute 105-373 provides for settlement of such taxes; and

WHEREAS, North Carolina General Statute 105-381 provides for release or refund of taxes:

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

- Section 1. Said taxes be released or refunded in accordance with said statutes for the reasons stated on the attached list.
- Section 2. This resolution shall become effective upon approval by the Board of Commissioners of the City of Mount Airy.

Approved and adopted this the 17th day of January, 2019.

Date: 8-Jan-19
 To: Board of Commissioners of the City of Mount Airy
 From: Sherri Coalson, Revenue Collections Asst. II
 Re: Release and Refund of City Property Taxes

<u>Account</u>	<u>Taxpayer</u>	<u>TAX AMOUNT</u>					<u>Total</u>	<u>Reason</u>
		<u>Value</u>	<u>Real</u>	<u>Advertising</u>	<u>Personal</u>	<u>Late Listing</u>		
2018-General Fund								
34744	Raborn, David	1,159	0.00	0.00	6.95	0.00	6.95	Outside Jurisdiction
34844	Itzayana, Osmara	5,030	0.00	0.00	30.18	2.41	32.59	Outside Jurisdiction
	Total:	<u>6,189</u>	<u>0.00</u>	<u>0.00</u>	<u>37.13</u>	<u>2.41</u>	<u>39.54</u>	
	Grand Total:	<u>6,189</u>	<u>0.00</u>	<u>0.00</u>	<u>37.13</u>	<u>2.41</u>	<u>39.54</u>	

• **RESOLUTION NUMBER 2019-038-MAKING HOUSING AUTHORITY REAPPOINTMENT:**

RESOLUTION NUMBER 2019-038

**CERTIFICATE OF APPOINTMENT OF COMMISSIONER
 OF THE HOUSING AUTHORITY OF THE
 TOWN OF MOUNT AIRY, NORTH CAROLINA**

WHEREAS, the Housing Authority of the Town of Mount Airy has heretofore been duly organized pursuant to the North Carolina Housing Authorities Law, as amended; and

WHEREAS, the term of Greg Perkins as a Commissioner will expire February 16, 2019:

NOW, THEREFORE, pursuant to the North Carolina Housing Authorities Law, as amended, by virtue of my office as Mayor, I hereby appoint Greg Perkins to serve as Commissioner for the five-year term ending February 16, 2024.

In witness whereof, I have hereunto signed my name as Mayor of the Town of Mount Airy, and caused the official seal of the Town of Mount Airy to be affixed hereto this the 17th day of January, 2019.

(end of consent agenda)

SPECIAL PRESENTATIONS:

a) Development Finance Initiative (DFI) Presentation:

Rory Dowling, Development Advisor of DFI, reviewed the services offered by DFI. DFI partners with local governments to attract private investment for transformative projects by providing specialized finance and development expertise. Their services support implementation of local community and economic development priorities that require private investment. Their team has experience in real estate development, public/private partnerships, community and economic

development, public engagement, and land use and market analysis. Since 2011, DFI has been engaged in 120 projects. Ninety-five of these are projects that have been done by DFI staff and 23 are currently open projects. They work with a range of community sizes. The two types of projects that DFI typically works on are reactive and proactive. DFI is often hired to be a reactive 3rd party and offer their review of the financial information provided by the developer. The majority of their projects is the proactive approach where they come in and go through their proactive pre-development process so once the municipality has site-control oversight, they will work through a four-prong pre-development process (Market Analysis/Site Analysis/Public Interests/Financial Analysis) and try to identify feasible projects for that site. Then, DFI would go out and attract a private sector development partner. Another proactive approach is they sometimes get involved on the front end where the municipality thought they had some potential opportunity sites but don't know which ones to focus on in which DFI would do an opportunity site identification.

Example projects that DFI has worked on are:

Hendersonville, NC-vacant downtown hosiery mill

Wilmington, NC-city-owned parking structure

b) 2018 Annual Fire Department Report:

Fire Chief Zane Poindexter distributed the 2018 annual Fire Department report to the Board. The call volume for 2018 was 1,800 calls with an average response time of two minutes and forty-seven seconds. Staff conducted 74 public education programs. Staff attended 7,460 man hours of fire, EMS, hazmat, and emergency medical training. Employees were awarded 14 Life Save Awards. Four employees from the Fire Department assisted in the Hurricane Florence relief on the eastern side of the state. Chief Poindexter is available for follow-up with any questions and comments from the Board on this report.

c) Surry Arts Council Presentation:

Tanya Jones spoke to the board regarding a project the Surry Arts Council would like to move forward with. The Surry Arts Council is asking permission to raise funds for a multi-purpose building to be constructed on city-owned property between the Blackmon Amphitheatre and the Hutchens Cleaners and Laundry property. There have been two projects in the past that the Surry Arts Council has constructed in the same matter. This multi-purpose building will have both international and national potential for tourism.

Mayor Rowe asked if the neighbors of said property are in favor of the project.

Tanya Jones stated they have had a very positive relationship with Hutchens Cleaners and Laundry.

Commissioner Armbrister asked about the obligations from the city once the building is built.

Tanya Jones stated they would assume the multi-purpose building would be handled in the same way as the other two buildings (Blackmon Amphitheatre and Andy Griffith Museum).

Commissioner Brinkley stated that the Surry Arts Council has a track record for fundraising and paying their bills. She is in favor of the request.

Commissioner Armbrister asked what happens should the Surry Arts Council not reach their fundraising goal.

Tanya Jones stated the Surry Arts Council, after exploring all options, would revise the project to stay within the bounds of the funds that were raised.

Commissioner Brinkley made a motion to allow the Surry Arts Council to move forward with fundraising for a multi-purpose building to be constructed on city-owned property located between the Blackmon Amphitheatre and the Hutchens Cleaners and Laundry property. Commissioner Cawley seconded it and it was passed unanimously.

d) Spencer's Development/MSD Parking Update:

~ Available Parking Spaces:

Martin Collins reviewed the available parking spaces located on the west side of the downtown area. The proposed event center is located in the Spencer's property and there are two municipal parking lots on the west side. The farthest point away from the Municipal parking lot to the event center is 700 feet. The farthest point away from the Virginia Street parking lot to the event center is 1,000 feet.

The inventory of public municipal parking spaces and on-street parking is a total of 294 spaces.

The average passenger vehicle in America has 1.67 occupants. Multiply that by the 294 spaces and you get 491 people that could be visiting that area or parking there for an extended period of time.

This doesn't include any private parking.

Commissioner Armbrister: I understand that there are special conditions that the event center has needing the 75 parking spaces. Would this meet their criteria? Do we need to commit 75 spaces for the event center if we already have these other spaces available?

Martin Collins: I would say the Virginia Street lot is in good shape and a good part of the Willow Street lot that is in good shape. The big question would be the event center timing versus routine use of parking lots.

~Franklin Street Parking Lot Estimates:

Mitch Williams: The only available area in this vicinity to place additional 75 spaces is the existing old parking lot located on Franklin Street. The map shows the 75 spaces laid out as a temporary lot. The biggest expense is that the lot is currently fenced in and if you put 75 spaces there, the fence will have to be moved or demolished. The cost estimate to stripe 75 spaces, with some signage and some small demolition is around \$3,000. The fence is the big expense-if we have to put a new fence around the perimeter of the 75 spaces, the cost would be around \$19,000 to \$20,000. If they can reuse some of the old fence, they will try to keep the cost as low as possible. There are existing poles that could be used temporarily for street lighting. Again, this would be a temporary lot with no landscaping or islands.

Commissioner Armbrister: Would that be a temporary municipal lot or would it be a temporary dedicated lot?

Mitch Williams: It is city owned so it would be open to the public.

Commissioner Cawley: What would happen when the event center opens before any other parts of redevelopment and we were told in the past that we couldn't use that parking lot for events because of the insurance and problems with people going into the old Spencer's buildings. Would we have to move the fence or could it be taken down altogether?

Barbara Jones: I believe we will need to contact the insurance company. I think we would have to secure it to keep people on the outside of the Spencer's property that aren't permitted in.

Mitch Williams: We would try to do it as cheaply as possible.

Mayor Rowe: How far is this lot from the event center?

Mitch Williams: From the front of the lot, it is about 1/10 mile.

Mayor Rowe: Would you have to walk down Franklin and Willow to get to the event center?

Mitch Williams: Yes. You wouldn't be able to cut through the back.

~Zoning Discussion:

Andy Goodall: We talked about the need of parking for the event center because of the zoning of the property. Currently, the property is zoned industrial, a remnant zone from the Spencer's property that wasn't covered during the development agreement process. We are in the process of rezoning that property to B-2 so it matches up with the rest of the Spencer's property. Currently, either zone would require that they have their own parking. I have distributed a draft of something that probably should have been addressed a while ago, but this has brought it to light. There are parcels within the Municipal Service District (MSD) that aren't zoned B-1 that do not have the property available to have their own parking, such as this property. We could do a text amendment to include all parcels within the MSD to be exempt from having their own private parking, which would take care of the issue for the event center and other parcels in downtown. That would take care of that, whether or not you stripe out 75 spaces for the event center or just use existing spaces. Jessica would be able to move forward with the permitting process for the event center using public parking to meet her requirements. Long-term...I don't have the answer right now, unless we do some type of parking study, whether or not when that and others get developed how much that is going to add to our existing parking inventory. We should probably look at that going forward but at least this text amendment would temporarily take care of the event center's issue and also give us some time if we don't want to put temporary parking. It will give us some time to figure out what we want to do. If it is the board's wish to do so, because it is in the City's Zoning Ordinance, we would need to set a public hearing for February.

Commissioner Armbrister made a motion to set a public hearing for February 7, 2019 7:00 pm in the Council Chamber of the Municipal Building. Commissioner Brinkley seconded it and it was approved unanimously.

Commissioner Brinkley: In my opinion, this would be the smartest route to take until this event center is completed. If more parking is needed, then we can readdress it.

Commissioner Brown: I like the plan and I am for moving forward.

Mayor Rowe: I think the construction potential of having to do something with that lot and I know you will need to do something with it, but if you stripe it now and people get used to using it and then it gets taken away from them, that might not be such a good thing.

e) Structural Engineer Update (Spencer's Development):

Jeff Boyles: The board directed staff to seek a structural engineer to do a structural assessment of the property adjacent to and wrapping around the five-story building in the Spencer's property. We followed a qualification election process and spoke with three structural engineers and walked through the building. We selected Moore & Associates who have been in business for several years in South Carolina and in Mount Airy for a couple of years. They are very well qualified and experienced

in all things structural including these types of assessments. They are the best qualified consultant for this type of work. Wayne Moore, President of Moore & Associates is in attendance should the board have any questions. We selected Moore & Associates and they submitted a proposal of duties and tasks they thought would be necessary based on their experience and what we were looking for. Their proposal was for more (\$6,950) than what was originally budgeted (\$5,000) and their assessment will take about five weeks to complete.

Commissioner Brinkley: We can't move forward unless something is done, can we?

Barbara Jones: The budget amendment included in the agenda packet is for what the board instructed to be budgeted. If the board wants to proceed with Moore & Associates, they would need to vote to increase the amount once we get to that item on the agenda.

PUBLIC FORUM:

Mayor Rowe: The next item on the agenda is the public forum. This is an opportunity for anyone in the audience to address the board. Please come up to the podium, state your name, address, and whether or not you reside in the city limits. You will be given three minutes to make your comments and the City Clerk will ring the bell to signal when your three minutes are up. I ask that you state your thoughts, facts, and opinions in a respectful manner. This shall not include name calling or defamation of anyone's character. After the public forum is closed, all items on the agenda will be for board discussion only—the audience will not be recognized for comments. I now declare the public forum open.

Mayor Rowe declared the public forum open.

Paul Eich, 124 Plantation Place Lane (city resident): My name is Paul Eich and I live in the city limits at 124 Plantation Place Lane. I was present at the last meeting where a presentation was made by Bryan Grote. I thought it was well presented and informed and logical but apparently nothing reached through to the council members because there is nothing on the agenda tonight about it, there is no discussion in your packet. The key items in his discussion were you need public input and public support for anything that is done at Spencer's. I think that is very much true. The second major portion of his report was that there are more than enough studies there that should be analyzed, combined, and talk inclusions from those studies rather than spending even more money on even more consultants. Yet there was discussion earlier in a presentation by DFI who jokingly referred to itself and UNC Chapel-Hill as non-partisan. I think that is an oxymoron but so be it—they think they are non-partisan. They are in favor of government...the bigger the better and government is always right. I don't share that opinion. I would like to see what was expressed by Mr. Grote come to fruition that would be provided by some interested taxpayers-knowledgeable people that exist in Mount Airy to analyze what has already been done. I do not feel that this particular group of five voting members will be able to come up with anything different, knowing their background and knowing we've got still another out-of-town consultant that will give you a start for money and it will always grow and be even more expensive. So I would ask you to re-examine what Mr. Grote suggested, accept it and move toward it because if you don't get the citizens behind this, whatever you propose will fail and there are some members of this council who decided many years ago what is going to happen there and I just don't think that is the way to go and to say we have to move quickly on it, no we don't. If it is worthwhile, it will come. It is time to think it through. One of you commissioners suggested a map of that property as to what is going on and what interacts...I didn't see that in your packet either. Isn't it time that you start looking at what is going on and acting on

that rather than chasing some further dreams? We all have dreams but part of my dream is to afford to live in this town and you aren't helping it with all these expenses and studies. Thank you.

John Pritchard, 128 Ridgecrest Drive (city resident): Good evening, I am John Pritchard and I still live at Ridgecrest Drive in Mount Airy. Interesting comments tonight...I am particularly interested in the comments about the temporary parking lot that wouldn't require any landscaping or the expensive lights. You know that wouldn't last long as a temporary parking lot. The pavement in that area is not good already and besides it would quickly turn into a full-time parking lot with all the landscaping and expense there and paving and all that. You know that. One of the wrong turns with Spencer's is the city's agreement to provide infrastructure for a project that should be done by developers. Even worse, the city agreed to provide far more than the basic things that are standard throughout the city. It isn't too late to reduce the cost of that work. Tonight, the board is to consider spending \$2 million for infrastructure just for the apartment project alone. The city is even building a parking lot for them. That is absurd, but that is what the city agreed to. The city signed an agreement with taxpayers getting stuck with much more expensive infrastructure than the rest of the town. The fancy sidewalks alone cost four or five times more than the standard ones do...the same for fancy lighting and other features, costs, and other options not found elsewhere in town. We don't need to waste even more money on unnecessary options. The work for the apartments is just the beginning. The city estimates for all Spencer's work was \$4.5 million and that was 4.5 years ago. That was a city estimate and they have been notorious for being understated. I do think the real figure today would be far more than the \$4.5 million. My guess would be \$8 million to \$9 million by the time it is done. We also hear that city work would stop if costs go higher than expected for the apartments. Is that realistic? You think we are just going to stop...of course not. I say taxpayers will be hit for far more than what they think if the plans don't get trimmed down a little bit. The real question is why the city is planning to do much more of the work that the developers normally do, whether it is residential or commercial, developers normally pay for things within the projects themselves including interior access, streets, sidewalks, landscaping, lighting, and such. That doesn't seem to be the case here. In my banking life, I financed numerous residential and commercial developments. Back then, retail meant strip centers but today's retail and commercial developments look more like small villages. There are many of those in other parts of the state and it sounds like the design for Spencer's. In a normal development, a developer buys the property and does his own site prep, clearing, grading, interior/access streets, parking, etc. It is called acquisition of development. The difference here is taxpayers are being asked to pay millions for things that a developer should pay for. That is just wrong. Thank you.

Mayor Rowe: Anyone else? All right, seeing no one else wishing to speak, I declare the public forum closed.

Mayor Rowe declared the public forum closed.

OLD BUSINESS:

Spencer's Development Super Majority Vote Reversal:

Commissioner Brinkley: This is concerning the Spencer vote. I think we need to come back and look at it and make a wise decision regarding the super majority. I had decided to come before the board about this before I got an email, which we all did, which actually speaks even better than I could have. When we made this decision, it was with a developer that is no longer with us and they aren't a part of the team now. We did this out of respect and courtesy to try to keep things with the right perspective for that developer and the Spencer property. We have many, many parts now that we are

working with and I think it is unfair to the new developers that are coming in and will be coming in to have two people who will make the decision for a five board decision. I will read what I did get, as we all did, and I will just pull out a few things. To reverse the four-to-one stipulation with all decisions regarding the Spencer's Property needs to be done. The three-to-two vote will reverse that action and I will be making a motion shortly for this. Unfortunately the four-to-one rule has become a poison pit for this project, which was written in this email, which I agree with. It could easily derail the projects that may come into the Spencer property. We don't want to have just two people to power these decisions that are made down here and with the super majority, we just have two people making the decisions if we can't always get a four+ vote. We don't want to be running into the roadblocks that this super majority is going to continue to cause. It is an automatic no if we can't get the super majority. The four-to-one vote creates a cloud of doom over the Spencer's property giving developers and potential developers little confidence of the process. There is already work being done down there and we already have apartments coming in, a culinary training program, culinary catering kitchen, event center, potential makerspace and we need to get rid of the road block. I believe that we need to change our super majority vote to a three-to-two vote from this point on because we no longer have the developer in this that we once had and we are speaking of totally different items here. Therefore, since I was the one that voted against this, I am bringing it before the board with a motion to reverse the four-to-one vote.

Commissioner Yokeley: I will second the motion.

Commissioner Armbrister: I think tonight has been an example of working together and getting our vote for such as the parking that we discussed. Four-to-one, so far to me, has been a buffer between some decisions in public favor versus not in public favor and it has given us a tool to use, which also reflects on our decision to be more supported by the board. Also, I will remind everyone that since this motion is regarding Spencer's property, we need the super majority on this vote also. Thank you.

Commissioner Cawley: I would say I did not support that because of who the developer was, that may have been the reason it was brought up, I don't know. I can't think of a time when it has cost us a good vote. I was against the apartments coming but in Commissioner Armbrister's absence, I voted for that. As I was reading over the minutes of the last meeting, Mr. Grote said that the most important thing concerning the Spencer's property is the process and if this three-to-two vote goes the way it was going in the past, there may be things getting developed as long as we don't have to go before the LGC. When you have a requirement that speaks that you need four, it seems to me that you get a lot more collaboration instead of people just backing up and sticking to their post or drawing their line in the sand. I won't be voting for that.

Commissioner Yokeley: I haven't seen any collaboration with the four-to-one vote. I would have to disagree with you, Jon. It has been nothing but delays and sabotage. In going in the Spencer's property earlier this week, I was shocked at the deterioration of the buildings. Five years ago, it was in remarkably good condition but it isn't anymore. We have got to move quickly. We just can't keep delaying anymore. We need to move forward in a smooth process and have a plan about how to get things done. I think it is important to go back to the majority vote. The way it is right now, two of the majority can stop anything and I just don't think that is right.

Commissioner Brinkley: If this passes, I would like to see us to continue, when we have votes, to possibly have four or five of us agree on everything. To me, that would be the challenge that we need

to all face with what is best and I know that is what we try to look for and I would like to see that we still could have four or five people that would agree with things. That would be quite a unity.

Commissioner Armbrister: I think it all boils down to spending and where we stand on spending and how we evaluate each situation. Protecting the taxpayer and using the money wisely. I haven't seen the vote hold up anything that didn't need holding up. The progress would be there but I would not give in to by example of past voting on this project running away with basically one side and another side. When you do that, with the three-to-two vote, some of us don't even need to be here.

Commissioner Cawley: Discussing the items on the floor, did we not say we wouldn't be voting on anything that came up that night or does that just involve something other than this?

Commissioner Brinkley: This was under old business because we have discussed it before and this has been a vote before so I brought it up back under old business for that reason. You know, we have come a long way. We have talked through some things and we have laughed through some things and we have been angry through some things and I honestly believe that this board, because of who we are with the Spencer's property now and as Paul Eich said if we were to go with a local person as Grote said, which is the direction I will be taking, I believe this board could master something with our voting and get along. I envision us all being united and I hope I am not seeing double vision.

Mayor Rowe: I, for one, am not going to go through another session where we are split three-to-two. It is just not worth the effort. Whatever we do in terms of the Spencer's property, we need to have five-to-zero, not four-to-one. What vision can this board see that will help us get to be unanimous? I was looking last night in the Book of Daniel and the Lord wrote on the wall something for Daniel to tell the king and I kept looking for that writing on the wall...I don't see it yet. That is the kind of epiphany that we need to have as a board so we can decide collectively what to do and go forward together. We all have different ideas on what it could/should be and how much we should/shouldn't spend and I don't know how to make it come together.

Commissioner Cawley: Counsel, is it a legal issue?

Hugh Campbell: As I had discussed with the board earlier, this board voted the rule in place by a simple majority and I would like to read a response, if the question is how would we proceed with this parliamentary question, I received from Trey Allen who is a parliamentarian employed by the School of Government and this is what he sent me today. In terms of amending or eliminating a local procedural rule, I think, along with other colleagues in the School of Government, that a simple majority (that is more than half...a three-to-two vote), more than half of a sitting governing board may change or eliminate a procedural rule previously adopted by the board. If this were not the case, board members could hamstring their successors in unacceptable ways. For example, they might adopt a rule that every motion requires a unanimous vote for approval. That is not entirely consistent with Roberts Rules of Order, which say that a procedural vote that put in place requiring the super majority requires a super majority to unwind it. Roberts Rules of Order versus our School of Government, there is an inconsistency there. The School of Government determined it based on local government and five member boards common throughout the State. Roberts Rules of Order applies to every body and every parliamentary body. I don't know the answer...if I were going to cite you the authority that I have, it is from the School of Government, which says the simple majority is what the School of Government recommends as the proper procedure for a five member municipal board.

Commissioner Cawley: That discussion I think points to what I think sometimes happens. Obviously, somebody knew we were going to be discussing this if emails are floating from the School of Government. I had no idea this was going to be brought up tonight.

Hugh Campbell: There was an email that was sent to each board member from a member of the public and that is the reason I researched this. It wasn't a question from a board member.

Commissioner Brinkley: Jon, I had been thinking about this since the last time we did this and I voted in the favor with you and Jim but I have done a lot of chewing on this trying to come up with the smartest decision for the sake of the development at Spencer's. I am not really going to call it the Spencer's property anymore because it is being chopped into little pieces. My thinking was we were backed against the wall by Dana, I think, in order for us to all join together. Having a super majority didn't mean we were all going to join together, it is just what she wanted to see in order for all of us to be more united. Whether we have a super majority or a simple majority, it is going to be up to us as individuals whether or not we are going to stay united or not. We discuss things and many times I am swayed by your discussion Jon because you come up with good ideas as I am with Jim and Steve. This was a decision that I had formed in my mind before we received this email today so this wasn't a sudden idea.

Mayor Rowe: The motion is that we eliminate the super majority and go back to the traditional simple majority of a three-to-two vote for all Spencer's related items.

On motion by Commissioner Brinkley, seconded by Commissioner Yokeley and passed by a three-to-two vote, the Super Majority vote (2/3 vote) for all issues relating to the Spencer's Redevelopment Project rule was reversed.

Vote Aye: Commissioners Brinkley, Brown, and Yokeley

Vote Nay: Commissioners Cawley and Armbrister

ORDINANCE 2019-020-BUDGET ORDINANCE AMENDMENT REGARDING INSURANCE PROCEEDS FROM HAZMAT SCENE ASSISTANCE:

On motion by Commissioner Armbrister, seconded by Commissioner Brinkley and passed unanimously, the following ordinance was approved:

**ORDINANCE NUMBER 2019-020
BUDGET ORDINANCE AMENDMENT**

WHEREAS, the City of Mount Airy adopted the 2018-19 budget on June 18, 2018; and

WHEREAS, the City of Mount Airy has received insurance proceeds from assisting on a Hazmat scene; and

WHEREAS, it is necessary to amend the budget ordinance in order to appropriate these funds for costs associated with the incident; 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 <u>(Decrease)</u>
Section 1. <u>General Fund Appropriations</u>	
Fire	<u>2,078</u>
	<u>2,078</u>
Section 2. <u>General Fund Revenue Estimates</u>	
Miscellaneous Revenue	<u>2,078</u>
	<u>2,078</u>

Approved and adopted this the 17th day of January, 2019.

ORDINANCE 2019-021-BUDGET ORDINANCE AMENDMENT REGARDING INSURANCE PROCEEDS FOR FIRE HYDRANT DAMAGE:

On motion by Commissioner Brown, seconded by Commissioner Yokeley and passed unanimously, the following ordinance was approved:

**ORDINANCE NUMBER 2019-021
BUDGET ORDINANCE AMENDMENT**

WHEREAS, the City of Mount Airy adopted the 2018-19 budget on June 18, 2018; and

WHEREAS, the City of Mount Airy has received insurance proceeds for damage to a fire hydrant; and

WHEREAS, it is necessary to amend the budget ordinance in order to appropriate these funds in order to contract for repairs to the hydrant; 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 <u>(Decrease)</u>
Section 1. <u>Water & Sewer Fund Appropriations</u>	
Public Works	<u>29,420</u>
	<u>29,420</u>
Section 2. <u>Water & Sewer Fund Revenue Estimates</u>	
Miscellaneous Revenue	<u>29,420</u>
	<u>29,420</u>

Approved and adopted this the 17th day of January, 2019.

ORDINANCE 2019-022-PROJECT ORDINANCE FOR STRUCTURAL ENGINEER FOR SPENCER'S MILL REDEVELOPMENT PROJECT:

The project ordinance and budget ordinance amendment for the structural engineer and site work will need to be amended. The bid from Moore & Associates came in higher than what the board directed. The amount of \$1,950 will need to be added to this project ordinance and the budget ordinance amendment for a total amount of \$8,235.

Commissioner Armbrister: I support what is needed for these buildings, particularly with what has been found out on some of the buildings since even the plans were made such as for the hotel, and now potential for the structural integrity not being good enough to even follow through for those plans, so it is crucial to know. In thinking about it, and I do support in getting a structural engineer, but I bring the question the fact who brings the structural engineer? Do we, or a potential developer of the building? If it has no impact basically on what we are doing, I am looking at the possibility that maybe the developer is the one that maybe needs to carry that burden instead of the city. I raise that as a question. Like I said, I am all for the study but I have since thought about whose burden should that be and practically, it seems to me it would be the developer.

Commissioner Brinkley: Could this not be included into a new developer that once the property is sold or how it is processed, to add what we had to pay for the structural integrity of this and that way, they can move forward if it is already done?

Barbara Jones: It is up to you as a board on how to pay for this.

Commissioner Brinkley: Reimbursement is the best term...the new developer that would come in would reimburse us. We would say we already had the engineer come in and check the structural integrity of this and we need reimbursement.

Barbara Jones: If you develop it, that would be a possibility, but if you elect to demolish it, that would not be a possibility.

Commissioner Cawley: Couldn't we add that to the purchase price?

Barbara Jones: Yes you could do that. You could recover along those lines, if you elect to do that.

Commissioner Armbrister: Would be a good way to finance that structural engineer. I will make a motion that we go ahead and approve that for the structural engineer with the condition we divide among any future developers the cost of that and the land transfer.

Commissioner Brinkley: I will second that.

Commissioner Yokeley: What if the land isn't transferred?

Commissioner Brinkley: Then we pay it all.

Commissioner Armbrister: In other words, the city would maintain ownership of the land.

Commissioner Yokeley: That should be in the motion.

Commissioner Brinkley: That should be understood, shouldn't it?

Commissioner Yokeley: Maybe. If demolition takes place, we would pay everything and not get reimbursed.

Commissioner Brinkley: He could just add if the property is usable and purchased.

Commissioner Yokeley: That would probably be fine.

Commissioner Cawley: Would we not have the opportunity in the future that if another building sells, we would set the sale price? We could recover this cost then.

On motion by Commissioner Armbrister, seconded by Commissioner Brinkley and passed unanimously, the following ordinance was approved with the condition that if the property is transferred to a developer, the city will recover the cost of the structural engineer/site work:

**ORDINANCE NUMBER 2019-022
PROJECT ORDINANCE AMENDMENT
FOR
SPENCER'S DEVELOPMENT PROJECT**

WHEREAS, the City of Mount Airy adopted a project ordinance for the Spencer's Development Project on September 1, 2016; and

WHEREAS, it is necessary to amend this project ordinance to reflect costs associated with contracting with a structural engineer and survey work:

BE IT ORDAINED by the Board of Commissioners of the City of Mount Airy North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the project ordinance is hereby amended as follows:

Section 3

The following amounts are appropriated for the project:

Economic and physical development	\$ <u>8,235</u>
	\$ <u><u>8,235</u></u>

Section 4

The following revenues are anticipated to be available to complete this project:

Transfer from General Fund	\$ <u>8,235</u>
	\$ <u><u>8,235</u></u>

Approved and adopted this the 17th day of January, 2019.

ORDINANCE 2019-023-BUDGET ORDINANCE AMENDMENT REGARDING STRUCTURAL ENGINEER FOR SPENCER'S MILL REDEVELOPMENT PROJECT:

On motion by Commissioner Brinkley, seconded by Commissioner Armbrister and passed unanimously, the following budget ordinance amendment was approved with the condition that if the property is transferred to a developer, the city will recover the cost of the structural engineer/site work:

**ORDINANCE NUMBER 2019-023
BUDGET ORDINANCE AMENDMENT**

WHEREAS, the City of Mount Airy adopted the 2018-19 budget on June 18, 2018; and

WHEREAS, it is necessary to amend the budget ordinance in order to provide funding for the Spencer Development Project structural engineer and survey work; 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 <u>(Decrease)</u>
Section 1. <u>General Fund Appropriations</u>	
Transfer to Capital Projects Fund	<u>8,235</u>
	<u><u>8,235</u></u>
Section 2. <u>General Fund Revenue Estimates</u>	
Appropriation of Fund Balance	<u>8,235</u>
	<u><u>8,235</u></u>

Approved and adopted this the 17th day of January, 2019.

RESOLUTION 2019-039-AWARDING PHASE I INFRASTRUCTURE FOR SPENCER’S MILL REDEVELOPMENT:

Doug Carter: I am here to introduce these three items and let you know what the next process will be because there will be board actions with respect to the borrowings of the infrastructure improvements. As you see here tonight, you have three actions-first is to award the infrastructure contract to JG Coram Construction; second is to appropriate funds with a transfer from the general fund to the project fund to move forward with the contract and the remainder of the cost; and third is to appropriate fund balance from the general fund to temporarily fund this appropriation inside the projects fund. I say temporarily because we are currently engaged with the LGC to issue a financing to fund the approximate \$2.1 million of the infrastructure cost. I have spoken and talked with them about the process. We are well underway especially since the bids have been met. We know definitively the cost of the project. We anticipate that a North Carolina Bank will provide the financing and of course we will work on your behalf to achieve the lowest possible rate to do that. We believe that the approval from the LGC will come in April and we would close shortly after that approval. We anticipate that you will have two actions in March-one is a public hearing and the other is the approval of the final documents and the bank that is going to do this financing. Tonight starts the appropriation process and once that is done, we will move forward with the actions in March and approval of the LGC in April. I will keep you informed of the progress.

Commissioner Yokeley: What kind of loan will it be?

Doug Carter: It will be a loan that will pledge part of the collateral, part of the project that is being done and it will be for a period of 10 to 15 years to pay for it based upon the best bid we can get from the banks.

Commissioner Cawley: I have been against these apartments because of the payback that is going to be lacking to the city over the involvement of tax dollars spent. I voted for this in December so that it could move forward and we might avoid a lawsuit. Obviously now, we don’t need my vote. Is there any reason you could think of why I should support this?

Doug Carter: I believe that once the council has made a decision to move forward with the development, that the infrastructure improvements that have been defined as necessary to make that development work would be a fair thing for you to vote for.

Commissioner Cawley: That is the only thing I could think of. When it goes across the board five to zero or four to one or however it goes across, it looks like everyone is in favor of it and it doesn't look like they are honoring past decisions because this is the first time we have voted on this. I understand your point and I will support it for that reason but it won't take people very long to forget that it is going to be 60+ years before we get paid back. Those won't be apartments in 60 years and I won't be here to know what it is going to be but I just wondered if you had another reason.

Commissioner Armbrister: This phase I doesn't include the event center property. Is the event center going to need infrastructure to proceed? Do we need to approve infrastructure for them to proceed or is what's there available to tie on to?

Barbara Jones: There is a map at your seats of the different phases of infrastructure. At one time, we were looking at the infrastructure as a whole for the whole property. When we saw things moving at different paces, that is when you decided to phase it. What you are approving today is in the pink on the map, which doesn't have the impact of what we are defining as phase II. Phase II has estimates for infrastructure needs as that develops but what you are looking at tonight is strictly related to this—the apartments.

Commissioner Armbrister: I understand but do we need to be looking at this other portion at the same time because it is in the process to be developed also.

Barbara Jones: That is a good question. At what point do we need to start thinking about moving forward with the infrastructure for phase II.

Jeff Boyles: There are still a lot of questions left regarding the design of phase II. What we have got there should work for them.

Commissioner Armbrister: So what is there should work for them to handle what they are intending at this point.

Jeff Boyles: Yes. What they need is there. It just won't look like a new development.

Commissioner Armbrister: Supporting systems that we have coming off of Main or wherever that is leading down to the Spencer's property, is there anything that that needs to be done outside of Spencer's specifically in order to provide the proper infrastructure within the Spencer's property? Outside of the Spencer's property, do we need to make any infrastructure improvements in order to be able to tap on to this new system within the Spencer's property?

Mayor Rowe: I think what needs to be a part of this is this drainage that goes from Oak Street to a manhole in the middle of Willow and from Franklin Street over to Willow to catch that water that goes down between the apartments and what would have been a hotel because that takes a great deal of water off of going down there and under that apartment building. You have a line around that apartment building, but that line is only a 42-inch line and under the building is a 48-inch line, so you will run some risk if you don't go down Oak and Willow.

Commissioner Armbrister: I am trying to identify costs such as that. We are talking about Spencer's property directly but there are costs associated to make sure our infrastructure down there is adequate enough. I guess that water drainage is basically piping and not sewer.

Mayor Rowe: It is stormwater.

Commissioner Armbrister: What do we need to do about sewer? Most recently down there, they did have to tap on to sewer for the last bit of work that is being done on the opposite side of Willow. What do we need to do to make sure our sewer is going to be right off of the property so the property will be serviced properly?

Barbara Jones: I think what I am hearing is you are asking if the current utility structure there adequate to serve the development that is currently being talked about.

Jeff Boyles: The sewer and water in phase I will stand alone. The only real question was the storm draining and at the time we thought phase II was coming along quickly. I am getting a price now to carry it through there and that is the sort of thing I was hoping to work out with contingency to deal with that little bit of runoff there. You would still have that smaller size pipe around the north side of the apartments.

Commissioner Armbrister: The last tap you saw made for the east side of Willow/west side of Main Street where they tapped on to the sewer system, would they use the old or was that upgraded for them? Mr. Rees owns that property.

Jeff Boyles: Yes. He tapped on to that-the old lines there.

Commissioner Armbrister: What did they find when they tapped on to the old lines there-what condition were they in?

Jeff Boyles: I didn't hear any complaints about it. I have looked at that street for a long time thinking we really need to resurface this street. I hate to resurface anything in town without replacing the water and sewer first because it is so old. If we are going to replace any of that, now is the time to do it. What I envision is when phase I is done, you are going to have brand new water and sewer north of that phase I line and a new street and sidewalk and everything.

Commissioner Armbrister: I figure we need a complete redo on Willow Street and pedestrian lighting and those types of things. That is all going to be a part of this. We have gotten about three different bundles of money to be able to improve the infrastructure on the site but it really hadn't encompassed that directly across from it that we are going to need. Have we got anything active going there-is there potential for some more money from the government?

Barbara Jones: Not to my knowledge. We have been talking about the Golden Leaf money-since the development has changed, we are going to be talking with them about how we can use those dollars. We tried to be able to use that money to do stormwater but so far, they haven't permitted us to do that. Currently, we don't have anything that we are looking at grant wise.

Commissioner Armbrister: I would like to have things we have off the property that we aren't calling Spencer's development that are going to be associated cost because of the Spencer's development identified.

Commissioner Cawley: Everywhere we are going to connect to existing pipes, water and sewer only, do we have any confidence that those pipes are in good shape?

Jeff Boyles: No. I don't have any confidence there are pipes in good shape anywhere downtown.

Commissioner Cawley: I would like for you to try to think about using some of that \$1 million grant money to fix that. I am just one person and I am not speaking for everyone but we have to make sure that when we tie all this stuff in together, that we are tying into something that is stable or there won't be any end to the expenses.

Commissioner Armbrister: What is the deadline on that money?

Mayor Rowe: Right now.

Commissioner Armbrister: We aren't eligible for any other, basically until we get that spent, right?

Barbara Jones: We met with Bryan Holloway yesterday and what you as a board need to do is identify the project you want to use the \$1 million for and we have until June, 2020 to have a project identified and at least be talking to them. I don't know when the project would have to be completed, he wasn't sure of that. You do need to identify what project you want to use it for though. What we talked about yesterday was to bring to the next board meeting the rehab needs we have and the projects identified according to staff recommendations and you as a board can identify how you want to use that money. The only other grant dollars we have as far as Spencer's is concerned is the Golden

Leaf monies and that is around \$722,000. That is for water and sewer and is dependent upon job creation. What we need to do is talk with Golden Leaf Foundation to make sure that we can still secure those monies and we can show them the projects we are working on now and hopefully be able to satisfy their needs. You as a board do need to identify how you want to use that \$1 million from the State.

Commissioner Armbrister: Will you get us the options of what is needed that we have now to equal that amount and prioritize?

Barbara Jones: Yes. We will bring that information to you at the next meeting.

On motion by Commissioner Brinkley, seconded by Commissioner Armbrister and passed unanimously, the following resolution was approved:

RESOLUTION NUMBER 2019-039

RESOLUTION AWARDING PHASE I INFRASTRUCTURE FOR SPENCER’S MILL REDEVELOPMENT PROJECT TO J.G. CORAM COMPANY, INC

WHEREAS, bids for the public improvements and infrastructure for Phase I of the Spencer’s Mill Redevelopment project were received; and

WHEREAS, a total of four (4) bids were received with results as follows:

<u>Contractor:</u>	<u>Base Bid:</u>
JG Coram Company, Inc., Mount Airy, NC	\$1,749,028.45
PCS Construction Services, Inc., Mount Airy, NC	\$1,934,710.01
Sowers Construction Company, Inc., Mount Airy, NC	\$1,955,265.00
DLB Enterprises, LLC, Hillsville, VA	\$2,163,344.28

WHEREAS, it is recommended to award Phase I infrastructure for the Spencer’s Mill Redevelopment project to JG Coram Company, Inc. for the base bid amount of \$1,749,028.45:

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

- Section 1. The Board of Commissioners does hereby award Phase I infrastructure for the Spencer’s Mill Redevelopment Project to JG Coram Company, Inc. for the base bid amount of \$1,749,028.45.
- Section 2. A contingency amount of approximately 10% of the contract price (\$175,971.55) is placed in the Project Ordinance and is available for change orders with the approval of the City of Mount Airy’s Public Works Director.
- Section 3. The Board of Commissioners does hereby authorize the Mayor to execute said contract with JG Coram Company, Inc. and all other documents necessary per review and approval by the City Attorney.
- Section 4. This resolution shall become effective upon approval.

Approved and adopted this the 17th day of January, 2019.

ORDINANCE 2019-024-PROJECT ORDINANCE FOR PHASE I INFRASTRUCTURE FOR SPENCER'S MILL REDEVELOPMENT:

On motion by Commissioner Brinkley, seconded by Commissioner Yokeley and passed unanimously, the following ordinance was approved:

**ORDINANCE NUMBER 2019-024
PROJECT ORDINANCE
FOR
SPENCER'S DEVELOPMENT PHASE I INFRASTRUCTURE PROJECT**

BE IT ORDAINED by the Board of Commissioner of the City of Mount Airy, North Carolina, that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following project ordinance is hereby adopted:

Section 1

The project authorized is for the infrastructure for the Spencer's Property in downtown Mount Airy.

Section 2

The officers of this unit are hereby directed to proceed with the project within the terms of the budget contained herein.

Section 3

The following amounts are appropriated for the project:

Economic and physical development	\$ 2,135,050
	<u>\$ 2,135,050</u>

Section 4

The following revenues are anticipated to be available to complete this project:

Transfer from General Fund – pending bank loan	\$ 2,135,050
	<u>\$ 2,135,050</u>

Section 5

The Finance Officer is hereby directed to maintain within the Project Fund sufficient specific detailed accounting records to satisfy applicable accounting and reporting requirements.

Section 6

Funds may be advanced from other funds for the purpose of making payments as due. Drawdowns of debt proceeds and/or other funding sources should be made in an orderly and timely manner.

Section 7

Copies of this project ordinance shall be furnished to the Clerk to the Governing Board, and to the Budget Officer and the Finance Officer for direction in carrying out this project.

Approved and adopted this the 17th day of January, 2019.

ORDINANCE 2019-025-BUDGET ORDINANCE AMENDMENT REGARDING PHASE I INFRASTRUCTURE FOR SPENCER’S MILL REDEVELOPMENT:

On motion by Commissioner Brinkley, seconded by Commissioner Yokeley and passed unanimously, the following ordinance was approved:

**ORDINANCE NUMBER 2019-025
BUDGET ORDINANCE AMENDMENT**

WHEREAS, the City of Mount Airy adopted the 2018-19 budget on June 18, 2018; and

WHEREAS, it is necessary to amend the budget ordinance in order to provide funding for the Spencer Development Project Phase I infrastructure; 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 <u>(Decrease)</u>
Section 1. General Fund Appropriations	
Transfer to Capital Projects Fund	<u>2,135,050</u>
	<u>2,135,050</u>
Section 2. General Fund Revenue Estimates	
Appropriation of Fund Balance – pending bank loan	<u>2,135,050</u>
	<u>2,135,050</u>

Approved and adopted this the 17th day of January, 2019.

RESOLUTION 2019-040-APPROVING INTERLOCAL AGREEMENT BETWEEN THE CITY OF MOUNT AIRY AND TOWN OF PILOT MOUNTAIN:

On motion by Commissioner Brinkley, seconded by Commissioner Armbrister and passed unanimously, the following resolution was approved:

RESOLUTION NUMBER 2019-040

RESOLUTION APPROVING INTERLOCAL AGREEMENT BETWEEN THE CITY OF MOUNT AIRY AND TOWN OF PILOT MOUNTAIN

WHEREAS, the City of Mount Airy (City) approved a Memorandum of Understanding with the Town of Pilot Mountain (Town) and County of Surry (County) that provides the framework for a project to extend a water line from the City to the Town; and

WHEREAS, the Town was awarded a 50% grant of \$1,950,000.00 and a 50% zero interest loan in the amount of \$1,950,000.00 from the State of North Carolina in order to fund the contemplated regional water production and distribution system project; and

WHEREAS, the City, Town, and County have each approved payment of one-third (1/3) of the State's zero interest loan over a period of twenty (20) years; and

WHEREAS, the Town has indicated that once the line is put into service, it will close its water plant and purchase all needed water from the City; and

WHEREAS, said agreement has been reviewed by staff and attorneys for both entities and it is staff recommendation for approval:

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 approve the Interlocal Agreement between the City of Mount Airy and Town of Pilot Mountain for Regional Water Production and Distribution.
- Section 2. The Board of Commissioners does hereby authorize the Mayor to execute said Interlocal Agreement per review and approval by the City Attorney.
- Section 3. This resolution shall become effective upon approval.

Approved and adopted this the 17th day of January, 2019.

BOARD TO DISCUSS SISTER CITY MOU BETWEEN THE CITY OF MOUNT AIRY AND PROVINCE OF SAMUT SONGKHRAM:

Commissioner Brinkley stated this has been ongoing for a while. She has researched sister cities and she would like for the city to pursue a relationship with the Province; however, she doesn't think it needs to be a sister city. She would like it to be more of a friendship city. The city could follow the same guidelines as sister cities but there will not be a cost involved, if the Province would accept that. Her suggestion is to call it Cities of Friendship and stay away from the name Sister City to save on cost. She believes they could accomplish the same thing by calling it a different name. The city sent a letter of intent to them in May, 2018. She doesn't want to offend the Province.

Zack Blackmon, Jr. stated he doesn't disagree with Commissioner Brinkley. The Governor who sent the MOU to the city went into office in October. Initially, he thought they talked about being a Sister City, but then they went to Friendship City and the Sister City was originally an ambassador's recommendation. He feels that pursuing a Friendship City designation isn't a bad idea to look into. If they do pursue Sister City, he suggests they look in to what a Sister City is and what they would be committing to. He will contact the Province and discuss further with them.

Commissioner Armbrister asked Mr. Blackmon to return to a future meeting to present information to the board. Mr. Blackmon is to contact the city to inform when he would be available to present the information.

Barbara Jones reminded the board that in May, 2018, the Mayor sent a letter of intent to pursue a friendship/kinship relationship.

Commissioner Armbrister made a motion to table this item to a future meeting. Commissioner Brinkley seconded it and it was approved unanimously.

REMARKS BY OFFICIALS:

Commissioner Brinkley: This has been a good meeting.

Appreciates Paul Eich's comments.

Thanks to Troop 595 for posting the colors.

Complimented the Mount Airy Fire Department for their help with the fire in her neighborhood.

Commissioner Armbrister: Great job by Troop 595 with posting the colors.

Great annual report from the Fire Department.

Thanked the Fire Department for all they do. They can't put a dollar amount on lives saved.

Excited about the Surry Arts Council proposal of the new facility.

Commissioner Yokeley: Great job by Troop 595 for posting the colors.

Congratulations to the Fire Department for the great work they do, especially the medical calls.

Commissioner Brown: Mount Airy has the best Fire Department in the state.

Thanked the Board for the unity tonight working together.

Thanked everyone in attendance.

Commissioner Cawley: No comments.

Barbara Jones: No comments.

Hugh Campbell: No comments.

Mayor Rowe: The Hope for the City Forum regarding race relations will be held at Mount Airy High School on January 26, 2019 from 4:00 pm until 6:00 pm.

Martin Luther King Jr. Day is January 21, 2019.

February is Black History Month.

A lot of things happening and the city is moving forward.

RECESS:

On motion by Commissioner Brinkley, seconded by Commissioner Yokeley and passed unanimously, the meeting was recessed to Thursday, February 7, 2019 at 7:00 pm.

Approved and adopted this the 7th day of February, 2019.

David L. Rowe, Mayor

ATTEST:

Melissa N. Brame, City Clerk