

**MOUNT AIRY, NORTH CAROLINA
RECESSED MEETING MINUTES
January 28, 2021**

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

Mayor Pro Tem Ron Niland welcomed everyone and called the recessed meeting to order.

BUDGET ORDINANCE AMENDMENT 2021-018 FOR PURCHASE OF FIRE TRUCK, AUTOMATED GARBAGE TRUCKS, AND DUMP TRUCK WITH LEAF COLLECTION ATTACHMENT:

Finance Director Pam Stone explained that the project ordinance is created in order to purchase this equipment, which includes the amount needed to borrow this money. This is an installment purchase contract, which means we will be funding the purchase by loan. Commissioner Cawley asked about the length of the loans, to which City Manager Barbara Jones responded that it would be either ten or fifteen years for the fire truck, with ten years for the garbage and leaf trucks.

On motion by Commissioner Koch, and approved unanimously, the following ordinance was adopted:

**ORDINANCE # 2021-018
PROJECT ORDINANCE
FOR
2021 CAPITAL EQUIPMENT PROJECT**

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 following project ordinance is hereby adopted:

Section 1

The project authorized is for the purchase of capital equipment including a fire engine, two garbage collection vehicles, a dump truck and leaf collection machine:

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:

Public Safety	\$582,775
Public Works	<u>\$1,087,225</u>
	<u>\$1,670,000</u>

Section 4

The following revenue are anticipated to be available to complete this project.

Proceeds from Debt - Installment Purchase Agreement	<u>\$1,670,000</u>
	<u>1,670,000</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.

Adopted this 28th day of January, 2021

SPENCER’S MILL REDEVELOPMENT RFP-INFRASTRUCTURE:

Bryan Grote explained that Mitch Williams, Charlie Vaughn, and others were part of a larger team that have been involved in the technical review of this RFP. He explained that there continued to be interest in the property and site visits and discussions with others continue to take place.

Mitch Williams began the presentation by explaining that Phase 1 finished up last year, composed of infrastructure including sewer, storm drainage, water, parking lot reconstruction, and rebuilding Willow Street, including decorative sidewalk, granite curbing and lights. This contract totaled \$1.7 million. Mitch has been meeting over several weeks with Charlie Vaughn, Lizzie Morrison, Bryan Grote, Andy Goodall, and Gene Rees to determine what costs would be involved for the hotel in Phase 2. Initially they looked at the site including areas around the Cube, rehab down Franklin Street, Franklin to Main, and Oak Street, looking to take care of any known problems in that area, but due to the cost, the project was scaled back to focus on just the hotel’s proposal at this time. Four separate areas were identified: finishing Willow Street (water, sewer, storm drain, streetscaping, and rebuilding Willow Street), at a cost of \$770,000; Parcel A (area behind proposed hotel, including the alley between the apartments and hotel); Parcel B (from Parcel A to Franklin Street); and other public improvements (public sewer rehab across site, looped water line through the parking lot area, small pocket park).

Parcel A is 45 parking spaces, grading, storm drainage, and the cost estimate based on this proposal is \$884,000. Parcel B is the other parking lot running from Parcel B to Franklin Street, including extensive grading, storm drainage, decorating lighting, curb and gutter, nice sidewalks, estimated at \$752,000. The other public improvements are estimated at \$500,000. The total estimated cost based on the information we have is \$2.9 million.

Commissioner Koch asked after we spend this money, who will own the parking lot. He noted that the City previously spent \$350,000 on a parking lot for the apartment building and deeded it over to them. This would be just about all of the parking for this hotel at a cost of \$1,636,000. Mitch referred this question to others since he has not been involved in that side of the proposal. Bryan Grote responded that the hotel developer would like to “control” the property, whether the City owns it or they own it. Commissioner Koch expressed his concern about giving that much money away. Commissioner Cawley asked how much the offer was on this property, to which Bryan responded \$350,000. Commissioner Cawley stated that the developer is willing to put \$350,000 into the property if the City puts \$3 million into it. Commissioner Wood noted that the developer is also planning to spend \$13 million in the hotel, which will generate property tax, sales tax, and other benefits. Commissioner Cawley is in favor of an equitable split in the cost of the project. He noted that the apartment building was supposed to be \$12 million but it was estimated at 92 years in recouping the amount the City invested in it. He will not support putting that much money into this unless the return is going to be sooner than 64 years. Mitch noted that some of this cost is work that needs to be done anyway such as the rehab on the water and sewer, the work on Willow Street, no matter what develops out there, to serve properties on Willow and Franklin, over time since it serves the public interest.

Commissioner Koch agrees with Commissioner Cawley. He has high hopes for the project but thinks there needs to be more negotiation on this proposal. He can't see giving away \$1.6 million in parking. Commissioner Wood stated that we have not yet started the negotiation and thinks we need to move forward in that, to which Commissioner Koch agreed but stated that he cannot vote for it based on certain parts of the request. Commissioner Cawley asked if they have heard back from Marriott yet, and Commissioner Koch asked also about Wyndham who has shown an interest. Commissioner Yokeley responded that that was still under negotiations.

Commissioner Yokeley made a motion to have a public hearing at the next meeting on February 4, at 6:00 p.m. to hear from the public on this item, which was approved by unanimous vote in favor of the motion.

CLOSED SESSION

On motion by Commissioner Yokeley and passed unanimously, the board entered into closed session pursuant to NCGS 143-318.11(a)(4) to discuss matters relating to economic development and NCGS 143-318.11(a)(3) Attorney-Client Privilege.

OPEN SESSION:

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

ADJOURNMENT:

On motion by Commissioner Koch and passed 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