

April 8, 2019

The City Council of the City of Rocky Mount met this day in a regular session scheduled for 7:00 p.m. in the George W. Dudley City Council Chamber of the Frederick E. Turnage Municipal Building with Mayor David W. Combs presiding.

Councilmembers present: André D. Knight, Reuben C. Blackwell, IV, Richard Joyner, E. Lois Watkins, Tom Rogers, W. B. Bullock and Christine Carroll Miller.

Staff Present: Natasha Hampton, Acting City Manager/Assistant City Manager; Pamela O. Casey, City Clerk; Chris Beschler, Assistant City Manager; Tameka Kenan-Norman, Chief Communications and Marketing Officer; Amy Staton, Finance Director; Archie Jones, Director of Human Relations; Elton Daniels, Director of Parks and Recreation; Will Deaton, Director of Development Services; Brad Kerr, Director of Public Works; Carl Moore, Interim Division Chief of Life Safety & Training; Mark Adcox, Video Production Specialist; Landis Faulcon, Director of Community and Business Development; Mark Rogerson, Fire Marshal; Kevin Harris, Downtown Development Manager; Kim Batts, Deputy City Clerk; and Richard J. Rose, City Attorney.

Security Officer: Police Sergeant L. S. Parker, Jr.

The Mayor called the meeting to order at 7:10 p.m. and called on Councilmember W. B. Bullock to offer prayer.

WELCOME

The Mayor welcomed citizens and directed them to copies of the agenda near the entrance of the City Council Chamber.

APPROVAL OF MINUTES

The minutes of a regular scheduled meeting of the City Council held March 25, 2019 were approved as submitted to the City Council prior to the meeting.

ATTORNEY'S REPORT/DOUGLAS BLOCK SETTLEMENT/ADDED TO AGENDA IN OPEN MEETING)

City Attorney Richard J. Rose provided a report relative to the Douglas Block Settlement with Rocky Mount-Edgecombe Community Development Corporation (RMECDC) agreed to in July 2017 (to be concluded January 2020). He said with the proposed housing project for Tarboro Street there is renewed public interest in the relationship between the City and the RMECDC with respect to the Douglas Block. He made the following comments and outlined the major terms of the settlement as:

- The City and the RMECDC have had a long history of working together for the betterment of the City with a particular focus on the disadvantaged members of the community;
- In 2009 when the City decided to undertake the redevelopment of the Douglas Block they reached out to the RMECDC to help with the project. The City wanted to use new market and historic tax credits to finance a portion of the project and needed a private nonprofit entity such as the RMECDC to hold title to the real estate during the tax credit period.

- Tax credit transactions are highly specialized undertakings so the City and the RMECDC brought in lawyers with expertise in this area to handle the transaction and they set up a number of limited liability companies and partnerships in a complex structure required to secure the tax credits;
- This structure involved deeding the Douglas Block buildings and improvements to Douglas Block Landlord, LLC, a RMECDC entity, and leasing under a long-term ground lease the real estate under the buildings and the parking lot behind the buildings to the Douglas Block Landlord, which was essentially the RMECDC. The buildings were severed from the real estate and conveyed separately from the real estate and the real estate was leased which is apparently what has to be done with respect to these tax credit arrangements;
- The Douglas Block Landlord then leased the building to Douglas Block Tenant, another RMECDC entity, which sub-leased the buildings to the businesses operating in the Douglas Block;
- Private tax credit investors were brought in as members and partners of the RMECDC related entities to supply the tax credit financing for the project;
- The project was completed and has been successful. There are a number of leases on the agenda tonight for the Douglas Block properties;
- That is a very general summary of a very complicated transaction that enabled the Douglas Block project to be completed with tax credit financing;
- **Unwinding of the tax credit transaction:** Tax credit structures generally stay in place for 7 or 8 years and then the tax credit investors exit. At this point tax credits have been obtained and the project has derived the benefit of tax credit financing. At this point the structure is unwound and ownership of the project vests in the local nonprofit owner(s), which for this project was the RMECDC entity controlled by the RMECDC;
- This was in early 2017 and, as the tax credit investors, the RMECDC and the City worked through the unwinding it became apparent that there was a difference of opinion between RMECDC and the City as to who should own and operate the Douglas Block going forward;
- The documents placed ownership in the RMECDC and it wanted to continue to own and manage the project. The City's understanding was that the property would come back to the City notwithstanding what the documents said, and in addition, substantial mortgages on the project were held by the City;
- A number of meetings were held in the spring and early summer of 2017 between different representatives of the City and the RMECDC in an attempt to resolve the dispute. During these negotiations it was discovered that a portion of the parking lot leased to the RMECDC would be needed for the construction of the Event Center which was just getting underway;
- This brought a sense of urgency to the negotiations and resolving the dispute so the City and the RMECDC agreed to bring in a professional mediator who was successful in brokering a settlement between the parties;
- The terms of the settlement are:
 - 1) The RMECDC agreed to complete the unwinding of the ownership structure and convey free and clear title to the Douglas Block Project to the City;
 - 2) The City agreed to pay the RMECDC a fee for management of the Douglas Block Project in the amount of \$25,000;
 - 3) The parties agreed that all management responsibilities of the RMECDC for the Douglas Block would terminate and the RMECDC would provide all documents related to management of the Douglas Block Project to the City;
 - 4) The City agreed to convey the vacant lot on E. Thomas Street west of the Booker T. Theater to the RMECDC. The RMECDC agreed to develop the lot in a manner consistent with the City's redevelopment plan. In addition the RMECDC agreed that

a building permit would be issued to it within 30 months of the date the deed was delivered, and construction would begin within 18 months of the date the building permit was issued. If those requirements were not met the Douglas Block would automatically revert to the City;

- 5) The city agreed to make the following payments to the RMECDC:
 - \$150,000 in 2017
 - \$75,000 on or before July 15, 2018
 - \$75,000 on or before January 15, 2019
 - \$62,500 on or before July 15, 2019
 - \$62,500 on or before January 15, 2020
- 6) The City agreed to set up a Douglas Block Advisory Board consisting of 6 members, all appointed by the City Council, with the RMECDC having the right to nominate up to 3 members. This Board was set up to terminate 48 months after the recordation of the deed for the vacant lot next to the Booker T. Theater;
- 7) The City agreed to continue the existing Community Development Block Grant funding for the RMECDC's Housing Counseling Center and its Business Development Center subject to 1) grant availability; 2) annual appropriations by the City; and 3) determination by the City that the RMECDC Centers were being operated in an effective manner;
- 8) The City agreed to continue the existing relationship with the RMECDC with respect to the Commercial Development Manager pursuant to the existing Memorandum of Understanding entered into by the City and the RMECDC in 2007;
- 9) The City and the RMECDC further agreed to cooperate with respect to such future undertakings as are mutually agreeable between the parties; and
- 10) Each party released the other with respect to all claims related to the Douglas Block

2019 KIDS TO PARKS DAY

Mayor Combs read a proclamation proclaiming May 18, 2019 "Kids to Parks Day" in the City of Rocky Mount. He noted there are over 55 parks in the City.

The Mayor presented the proclamation to Parks and Recreation Director Elton Daniels.

PETITIONS FROM THE PUBLIC

The Mayor outlined the guidelines for petitions from the public and opened the meeting for public petitions. Mayor Combs recognized the following individuals and a summary of comments is outlined below:

- ***Samuel Battle:***
 - Spoke on behalf of Warren Daughtridge saying that the winds of change truly blow and groups that did not know each other a few short weeks ago are working together for the good of the City and together will prevail. He invited others to take a positive step and love Rocky Mount;
 - Said he is sad about racial differences in the city and said race does not make a difference to him. He said African-Americans cannot allow themselves to attack other African-Americans because it is not good for the black community;
 - Said it is not good for children in the community to see people attacking each other on Facebook and in the community.
- ***Randy Adcox:***
 - Said he was honored and privileged to be a part of a couple of meetings of concerned citizens recently;
 - Said there was open and honest discussion and dialogue about some of the issues in the city and it was not a gripe session and a point was made to keep conversation positive and upbeat;

- Said the meetings focused on impoverished neighborhoods and other community issues and though he recognizes the City Council is taking steps to address impoverished neighborhoods wanted to note that some citizens are as well;
 - Said they are working to address race relations and agreed with Mr. Battle that it is not good to tear each other down and it is not productive and hurts us all;
 - Said he would like to see the City move forward with public forums similar to the ones last summer with a focus on race relations and impoverished communities and how to help fellow citizens and there is no need to hire a facilitator
- ***Morrie Minges:***
 - Said she went to the Tarboro Street low income housing meeting and it was very informative;
 - Said she first thought placing the apartments there was a good idea but then she learned it had been previously identified for parking and now does not think it is a good idea;
 - Said she now believes the Crossing at 64 property is a better location for the housing project and that it provides room for a grocery store to be located at that site;
 - Said changing downtown parking to parallel parking was a bad idea;
 - Agreed a community forum is a good idea but it is not necessary to hire a facilitator;
 - Said “don't litter”
- ***Nehemiah Smith:***
 - Said unity is not and never has been a one agenda endeavor and in reality it is an opportunity to promote shared values and beliefs;
 - Said we must first identify the issue that fuels the discord;
 - Said new organizations and other groups are sprouting up in the city calling for a coming together but no one wants to deal with the root issue of race;
 - Said we say we want unity, but we have yet to sufficiently deal with race;
 - Said we won't have a bountiful harvest without turning over the soil and that will always be an exercise in futility;
 - Recited a quote from a book he is currently reading and said in this community we must endeavor to deal honestly with the issues that divide us and then we can honestly face the rising sun of a new day begun
- ***Bronson Williams:***
 - Said when he went through the Planning and Inspections Department he was required to install emergency exit lights but when the lights went out in this building this evening there were no lights in the stairwell;
 - Said he hopes Council will direct departments to look at the issue of egress to install lighting to keep citizens safe (in the event of an outage)
- ***Arnold Gordon-Bray:***
 - Thanked the Council for allowing him to speak;
 - Said this Memorial Day is special, and he wanted to make the Council aware of the event held by the Veterans noting that this year a highlight of the event will be the recognition of one of our citizens, William Hoover Jones, whose remains are one of three recovered from Korea;
 - Said ABC and Time Magazine came to visit the family;
 - Said this is an opportunity to look at something that can bring a semblance of unity to the city by recognizing the history of the city;
 - Said there is a racial element to almost everything but more often than not it is due to ignorance and very few people are overtly trying to do things for race;
 - Said this is a chance for the City to show appreciation for a citizen who volunteered to serve our nation at 19 years old as part of what is done at Jack Laughery Park on Memorial Day;
 - Said he is on the North Carolina Military Affairs Commission and Senator Martin plans to come and is trying to have the Governor come down;
 - Said a little more support may need to be provided than in the past and perhaps a proclamation could be prepared to recognize Hoover Jones;
 - Solicited Council support as individuals and as a board

- ***Antionette Cutler:***
 - Said she is President of the Hillsdale Community and thanked Elton Daniels for meeting with her to discuss renovations to the park;
 - Said she hopes the city will make park renovations a reality and make the park safer;
 - Said My Sisters House for battered women is overcrowded and there is not enough capacity for women and their families;
 - Questioned if there are buildings available;
 - Thanked the Council for housing development efforts downtown and said she is in support of the Tarboro Street housing project and believes housing Downtown will bring more people Downtown to support Downtown businesses

- ***Lige Daughtridge:***
 - Said he wasn't going to speak tonight until the city attorney mentioned Rocky Mount Edgecombe CDC;
 - Said transparency is vital to maintain and ensure public trust and without transparency government officials can't be held accountable, can make self-serving decisions and have hidden agendas;
 - Said no housing was mentioned in the Ratio study or Tiger Grant (which the city was unable to obtain);
 - Said the public and Edgecombe Community College and investors have been misled;
 - Said on October 28, 2018 a parking agreement with Edgecombe Community College was removed from the agenda and on February 25, 2019 a resolution to partner with the DFI to convey property was added to the agenda with no prior notice;
 - Said it is touted by the City Manager's office that DFI chose the Tarboro location for the housing project, but DFI chose the Crossing at 64;
 - Said this is not transparent and does not allow the public any say-so for decisions made or Edgecombe Community College any input;
 - Said relative to Rocky Mount Edgecombe CDC that he had questions when the budget came up about the \$150,000 and the \$75,000 to fund a position but those questions were not answered, and they were written questions;
 - Said he stood at this podium and asked the same questions;
 - Said he received on Friday a copy of the settlement agreement and some of the other information and questioned why it took a public records request to receive the information;
 - Said by his figures it totals \$475,000 that the city is paying Rocky Mount Edgecombe CDC plus conveying the lot adjacent to the Booker T. Theater with stipulations and questioned who is following up on the stipulations;
 - Said \$75,000 is being paid to fund a commercial development position which via email has not been filled yet;
 - Said another \$150,000 is being paid for a housing counseling center and business development center and that is a lot of money;
 - Questioned how this can be called transparent and good government;
 - Said the citizens of Rocky Mount deserve open and transparent governance

The Mayor closed the public petitions portion of the meeting.

Councilmember Blackwell said he had previously said he was going to correct misinformation, whether intentional or not. He said:

- there was never a written agreement with Edgecombe Community College voted on by the Council and while there may have been conversations there was no agreement;
- when Council began having conversations about downtown development housing was always included. He said he finds it interesting that some individuals at the college do not want to provide housing for individuals they hire and train;
- DFI looked at three sites and chose the Tarboro Street site for the project. He said Council agreed with their selection of that site

and he still agrees with that selection. He said he has not heard an argument yet that can explain to him why the city would not want to have more people living downtown in a concentrated location other than those individuals might be low resources challenged, but everybody has a right to live downtown;

- in every city in America downtown's close out access to people with low resources and very few communities open up their doors to low resource people;
- Rocky Mount has an opportunity to change a narrative that does not exist currently. He said you can go on a tour anywhere in this country and see signs where people used to live and monuments to folks who used to be there but the people who live and work there and helped build up and keep that downtown solvent until money started rolling in never had a place at that location;
- Rocky Mount has a wonderful opportunity to create a downtown where we have every income level, every persuasion and every intersection of society located downtown and that sounds exciting to him and he does not understand the placement of fear of people who don't have a lot of money being in similar proximity to people who do have a lot of money;
- he hopes we can grow up and get on with this unfounded fear and look at the statistics and create pathways to move us to where we want to be tomorrow - equity, inclusion and shared prosperity for all. He said everyone should be able to get something from all the City's investments.

CONSENT AGENDA

A. TEMPORARY STREET CLOSING (recommended for approval):

- Request by Pastor Mack E. Battle, on behalf of East End Baptist Church, for permission to close one block of 928 East Highland Avenue (from the corner of Coleman to the corner of Magnolia Streets) from 10:00 a.m. until 2:00 p.m. on Saturday, April 20, 2019 for the church's annual Youth Easter Celebration.

Mayor Combs announced that the 6th Annual Rocket Mile Road Race has been canceled and this matter was removed from the agenda.

Motion was made by Councilmember Knight, seconded by Councilmember Joyner and unanimously carried to approve the temporary street closing, as requested.

LEASE AGREEMENT/RENEWALS

The City Council was provided with lease agreements for consideration. It was noted that in accordance with NCGS 160A-272, the City must provide public notice of the intent to lease thirty days in advance of approval of the following lease agreements:

LEASE RENEWALS:

- a) Natarlin Best, doing business as, Best Lawrence Law, P.A. - 2,183 square feet of space in the Burnett Building located at 184-188 East Thomas Street in the Historic Douglas Block (terms are: Two (2) year

- (April 1, 2019 - April 1, 2021) lease @ \$1,819/month - with option of one (1) two (2) year extension of current lease upon at least ninety (90) days written notice to the City);
- b) Dr. Sharon Romney, doing business as, Wee Care Pediatrics - 2,203 square feet of space in the Stokes Building located at 200-210 East Thomas Street in the Historic Douglas Block (terms are: Two (2) year (April 1, 2019 - April 1, 2021) lease @ \$1,833/month - with option of one (1) two (2) year extension of current lease upon at least ninety (90) days written notice to the City);
- c) Kimberly Thigpen, doing business as, The Bath Place - 677 square feet of space in the Douglas Building located at 205 NE Main Street in the Historic Douglas Block (terms are: Two (2) year (April 1, 2019 - April 1, 2021) lease @ \$564/month - with option of one (1) two (2) year extension of current lease upon at least ninety (90) days written notice to the City);
- d) Janice C. Brinkley, doing business as, Brinkley's TV & Appliance - 544 square feet of space in the Manhattan Building located at 152-154 East Thomas Street in the Historic Douglas Block (terms are: Two (2) year (April 1, 2019 - April 1, 2021) lease @ \$861/month - with option of one (1) two (2) year extension of current lease upon at least ninety (90) days written notice to the City);
- e) Chivon P. Turner, doing business as, Nancy's Creations - 739 square feet of space in the Douglas Building located at 211 NE Main Street in the Historic Douglas Block (terms are: Two (2) year (April 1, 2019 - April 1, 2021) lease @ \$616/month - with option of one (1) two (2) year extension of current lease upon at least ninety (90) days written notice to the City);
- f) Gary Sharpe, doing business as, Hotline Express - Room 308 consisting of 230 square feet of space in the Train Station located at the intersection of Hammond Street and Florida Avenue (terms are: Two (2) year (April 1, 2019 - March 31, 2021) lease @ \$255/month - will be renewable with acceptance of both parties);
- g) Rocky Mount Area Chamber of Commerce - 4,800 square feet on the Second Floor and 400 square feet on the Third Floor of the Helen P. Gay Historic Train Station (Four (4) year (February 1, 2019 - February 1, 2023) lease @ \$2,197 monthly; automatic annual renewal of lease after 4 years unless terminated)

NEW LEASE:

- h) The Railroad Museum - 333 square feet (suites 106 and 107 of the Helen P. Gay Historic Train Station - lease begins March 1, 2019 and continues until terminated @ annual payment of \$1; must be used as a railroad museum).

Motion was made by Councilmember Joyner, seconded by Councilmember Blackwell and unanimously carried that the following Resolutions be adopted relative to said leases:

LEASE RENEWALS:

- a) Natarlin Best, doing business as, Best Lawrence Law, P.A. - **Resolution No. R-2019-8** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**
- b) Dr. Sharon Romney, doing business as, Wee Care Pediatrics - **Resolution No. R-2019-9** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**
- c) Kimberly Thigpen, doing business as, The Bath Place - **Resolution No. R-2019-10** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**
- d) Janice C. Brinkley, doing business as, Brinkley's TV & Appliance - **Resolution No. R-2019-11** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**
- e) Chivon P. Turner, doing business as, Nancy's Creations - **Resolution No. R-2019-12** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**
- f) Gary Sharpe, doing business as, Hotline Express - **Resolution No. R-2019-13** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**

- g) Rocky Mount Area Chamber of Commerce - **Resolution No. R-2019-14** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**

NEW LEASE:

- a) The Railroad Museum - **Resolution No. R-2019-15** entitled **RESOLUTION OF INTENT TO LEASE OR RENT PROPERTY;**

These resolutions authorize the City Clerk to advertise Notices of Intent to approve said lease agreements.

AMENDED ELECTRIC SERVICE AGREEMENT/LIDL

The City Council received an amended and restated electric service agreement with Lidl that outlines the terms and conditions for the purchase of electric power for their facility at 940 N. Wesleyan Boulevard. The City Council was advised that the customer has determined the existing transformer exceeds their requirements and have requested an adjusted contract.

Motion was made by Councilmember Miller, seconded by Councilmember Joyner and unanimously carried that the electric service agreement with Lidl (**C-2019-11**) be approved and that the Mayor and City Clerk be authorized to execute the same on behalf of the City.

ANNEXATION NO. 314/CSX TRANSPORTATION, INC.

The City Clerk provided the City Council with a resolution certifying the petition for Annexation No. 314 - CSX Transportation, Inc. as sufficient pursuant to G.S. 160A-31 to proceed with annexation of the contiguous parcel.

Motion was made by Councilmember Blackwell, seconded by Councilmember Watkins and unanimously carried that the Department of Development Services be instructed to prepare the required feasibility study on the proposed annexation and that the following resolutions be adopted:

- a. **Resolution No. R-2019-16** entitled **RESOLUTION OF CERTIFICATION OF RESULTS OF INVESTIGATION OF THE SUFFICIENCY OF PETITION FOR ANNEXATION OF A CONTIGUOUS AREA BY CITY CLERK OF THE CITY OF ROCKY MOUNT/ANNEXATION NO. 314 - CSX TRANSPORTATION, INC.;** and
- b. **Resolution No. R-2019-17** entitled **RESOLUTION CALLING A PUBLIC HEARING TO CONSIDER A PROPOSED EXTENSION OF THE CITY LIMITS OF THE CITY OF ROCKY MOUNT TO INCLUDE ANNEXATION OF A CONTIGUOUS AREA/ANNEXATION NO. 314 - CSX TRANSPORTATION, INC.** (schedules public hearing for May 13, 2019).

INCREASED BID CONTRACT/WATER PURIFICATION CHEMICALS

The City Council was advised that the Water Resources Department is requesting an increase from the approved quantity of 250 tons of liquid ferric sulfate for an additional 70 tons at the original bid price of \$1,111.67 per ton for a total increased cost of \$77,816.90 from Pencco, Incorporated. Council was further advised that the increase in chemical usage is due to changes in the raw water quality.

Motion was made by Councilmember Blackwell, seconded by Councilmember Joyner and unanimously carried that the bid contract with Pencco, Incorporated be increased as recommended.

The information provided by the Purchasing Division in connection with the extension of these contracts shall be placed on file in the office of the City Clerk with contract number **BD-2017-20**.

CITY COUNCIL MEETING/CANCELLATION

The City Clerk advised the City Council that the second regular Council meeting in May scheduled for Monday, May 27, 2019 falls on Memorial Day.

By consensus, the May 27, 2019 City Council meeting was rescheduled for Tuesday, May 28, 2019.

AGREEMENT/SOUTHEASTERN NC COMMUNITY DEVELOPMENT (ADDED TO AGENDA IN OPEN MEETING)

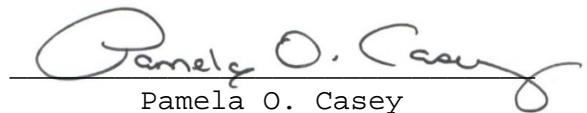
The City Council was provided with an agreement with Southeastern NC Community Development Corporation relative to construction of MS Hayworth Court.

Council was advised that the City entered into an agreement with the Southeastern North Carolina Community Development Corporation, Inc. on June 5, 2017 to commit \$182,453.65 in HOME Investment Partnership Funds for subsidizing the construction of MS Hayworth Court; however, the City was unable to secure the HOME Investment Partnership Funds to support construction of MS Hayworth Court (City commitment to construct 2 units in the 8-unit housing project for low to moderate income families with disabilities). The Council was advised that the project is anticipated to be completed in the Spring of 2019 and the new units will be located adjacent to the MS Hayworth apartment complex at 931 Tessie Street and approval of the agreement will ensure the project is continued and the funding commitment is maintained pursuant to the June 5, 2017 agreement.

Motion was made by Councilmember Knight, seconded by Councilmember Joyner and unanimously carried that the agreement with Southeastern NC Community Development Corporation, Inc. **(C-2019-12)** be approved and that the City Manager and City Clerk be authorized to execute the agreement on behalf of the City.

ADJOURNMENT

There being no further business, the City Council meeting adjourned at 7:59 p.m.


 Pamela O. Casey
 City Clerk