

FAYETTEVILLE CITY COUNCIL
DISCUSSION OF AGENDA ITEMS MEETING MINUTES
ST. AVOLD ROOM
APRIL 27, 2015
6:00 P.M.

Present: Mayor Nat Robertson

Council Members Katherine K. Jensen (District 1); Kady-Ann Davy (District 2); H. Mitchell Colvin, Jr. (District 3); Chalmers L. McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7); Theodore W. Mohn (District 8); James W. Arp, Jr. (District 9) (arrived at 6:20 p.m.)

Others Present:

Theodore Voorhees, City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Lisa Smith, Chief Financial Officer
Harold Medlock, Chief of Police
Brian Meyer, Assistant City Attorney
Victor Sharpe, Community Development Director
Kevin Arata, Corporate Communications Director
Members of the Press

Mayor Robertson called the meeting order at 6:02 p.m.

Council Member Crisp inquired about the proposed action on Item 10.2. Mr. Victor Sharpe, Community Development Director, explained that changes were recently made by the Cumberland County Tax Administration to reduce the assessed value of the MBM Hospitality property based on an appeal by the owner. He stated these changes would affect the direct investment amount required by the City's Economic Development Incentive Agreement adopted on September 13, 2010. He provided background on the agreement stating an amendment was adopted by Council on April 28, 2014, for the Embassy Suites Hotel and Conference Center reducing the original direct investment threshold from \$25 million to \$22 million. He further stated the incentive offered a property tax grant back under the Economic Development Incentive Program as administered by the Fayetteville Cumberland County Chamber of Commerce and reviewed the incentive. He explained that based on the assessed values as provided by the Cumberland County tax records, the total increase in taxable value resulted in \$22,017,772.00 which justified the reduction of the direct investment amount requested for the first amendment. He stated the County Tax Administration Office notified the City in March 2015 that the property owner made an appeal to the Cumberland County Board of Equalization and Review in August 2013 for tax year 2013 and they agreed to reduce the property value from \$18,278,400.00 to \$14,000,000.00 for 2014 and the preceding year. He advised based on the new assessed value, the amount of direct investment for 2014 was \$17,379,737.00. He further explained the First Amendment to the Agreement changed the direct investment to \$22 million and with the reduction in value of the real property it has reduced the direct investment to \$17,379,737.00 which brings the property owner out of compliance with the existing agreement.

Council Member Mohn thanked staff for responses to his requests for information on Item 10.3.

Discussion ensued about the request. Mr. Ted Voorhees, City Manager, proposed that Council consider approving the request up to \$3 million as a commitment and they could work out details on repayment.

MOTION: Council Member Mohn moved to go into closed session for discussion of litigation in the matters of *Estate of Nijza Lamar Hagans v. City of Fayetteville, et al.* and *Estate of Roman Lee Drake v. City of Fayetteville, et al.*

SECOND: Council Member Hurst

VOTE: UNANIMOUS (10-0)

The regular session recessed at 6:35 p.m. The regular session reconvened at 6:50 p.m.

MOTION: Mayor Pro Tem Davy moved to go into open session.

SECOND: Council Member McDougald

VOTE: UNANIMOUS (10-0)

Council Member Wright stated they should contact legislators about the PWC Charter revisions to request the delegation allow 90 days to allow the City, County, and PWC to consider effect of annexation and hold a public hearing.

There being no further business, the meeting adjourned at 6:55 p.m.