

**FAYETTEVILLE CITY COUNCIL
WORK SESSION MINUTES
LAFAYETTE ROOM
AUGUST 1, 2016
5:00 P.M.**

Present: Mayor Nat Robertson

Council Members Katherine K. Jensen (District 1); Kirk deViere (District 2); H. Mitchell Colvin, Jr. (District 3) (departed at 6:30 p.m.); Chalmers McDougald (District 4); Robert T. Hurst, Jr. (District 5); William J. L. Crisp (District 6); Larry O. Wright, Sr. (District 7); Theodore Mohn (District 8); James W. Arp (District 9)

Others Present: Douglas Hewett, Interim City Manager
Karen McDonald, City Attorney
Kristoff Bauer, Deputy City Manager
Rochelle Small-Toney, Deputy City Manager
Jay Reinstein, Assistant City Manager
Jim Palenick, Economic and Business Development Director
Rob Stone, Engineering and Infrastructure Director
Kevin Arata, Corporate Communications Director
Michael Gibson, Parks, Recreation and Maintenance Director
Victor Sharpe, Community Development Director
Tracey Broyles, Budget and Evaluation Director
Lisa Harper, Assistant City Attorney
Craig Harmon, Senior Planner
Russ Rogerson, Economic Development Corporation
Rusty Thompson, PE, PTOE, Mott MacDonald
Pamela Megill, City Clerk
Members of the Press

1.0 CALL TO ORDER

Mayor Robertson called the meeting to order.

2.0 INVOCATION

The invocation was offered by Council Member Wright.

3.0 APPROVAL OF AGENDA

MOTION: Council Member Arp moved to approve the agenda with the exception of Item 4.08; to be placed on the September work session City Council meeting agenda.

SECOND: Mayor Pro Tem Colvin

FRIENDLY AMENDMENT:

Council Member deViere made a friendly amendment to pull Item 4.03; to be placed on the September work session City Council meeting agenda, in order for staff to discuss the proposed ordinance with the Chamber of Commerce and the Realtors; have this item vetted through the appropriate agencies.

Council Member Arp did not accept the friendly amendment and stated he was in agreement with part of the motion.

Ms. Karen McDonald, City Attorney, recommended Council Member deViere's motion be considered when the item is introduced. Consensus of Council was to agree with Ms. McDonald's recommendation.

VOTE: PASSED by a vote of 9 in favor to 1 in opposition (Council Member deViere)

4.0 OTHER ITEMS OF BUSINESS

4.01 Qualified Energy Conservation Bond (QECCB)

Mr. Russ Rogerson, Economic Development Corporation, presented this item and stated the PowerPoint presentation is included in the agenda packet for this item. Mr. Rogerson said the North Carolina Agricultural Finance Authority has established a Green Community Program to promote energy conservation, energy efficiency, and environmental conservation on agricultural land and in agricultural related industries. This program makes loans to support qualified conservation projects across the State. Duplin County is working on a qualified project. The NC Southeast Regional Economic Development Partnership is requesting the allocation of qualified energy conservation funds from neighboring communities be transferred to the Duplin County project as part of regional support for that project. The specific request to the City of Fayetteville is to transfer a portion of its QECCB allocation back to the State for it to in turn transfer to the NC Ag Finance Authority (NCAFA) for use in funding the Optima KV project in Duplin County. The total funding need is \$6.5 million, of which \$5,751,119.00 has been gathered to date from QECCB allocation transfers by New Hanover, Robeson, Wayne and Cumberland Counties, leaving a balance of \$748,881.00 needed. This is the amount that we would ask be transferred by the City of Fayetteville out of its QECCB allocation totaling \$2,058,780.00. Application has been filed with the State TRAC Committee to re-transfer allocations received by the State to the NCAFA and we are hoping to have the TRAC Committee approve at a meeting in August, so from a timing standpoint it would ideal if a resolution for such transfer could be put on the agenda of the City Council for approval at its August 8, 2016, meeting. Congress authorized \$3.2 billion in Qualified Energy Conservation Bonds (QECCB) to use in subsidizing financing costs associated with qualified conservation purposes. QECCBs provide for a direct pay subsidy from Treasury to offset interest on financing. QECCBs allocated to States based on population and then to Cities/Counties greater than 100,000 population. North Carolina received \$90 million (\$60 million at the local city and county level). There is \$7.8 million held by five local governments in the NCSE Region with no current use intended. The North Carolina Agricultural Authority established the Green Community Program to finance renewable energy projects on agricultural land across North Carolina. NC Ag Authority serves as a conduit issuer, with QECCBs to be sold through private placement to third-party financial institutions to fund the program. NC Tax Reform Allocation Committee has allocated \$20 million in QECCBs to use in funding qualified projects accepted by the Program. The Program is broadly available across the State. CleanSource has been hired as the Program administrator to market, originate, diligence, fund, close and service projects funded through the Program. It originated over \$300 million in renewable energy projects for consideration by the Program. Two projects have been financed to date by using the State's \$20 million allocation. The Optima KV project in Duplin County is pending for \$6.5 million in funding with local allocations. Optima KV has requested up to \$6.5 million in QECCBs for its Anaerobic Digester Project in Duplin County. The NCAFA GCP has elected to fund Optima's project on five farms in Duplin County with 61,000 swine yielding 177 MMCF of bio-gas a year. They have a proven simple design with commercially available equipment from credit quality vendors. There are reputable parties involved namely Optima and Cavanaugh & Associates. The City of Fayetteville's partial reallocation request would complete the needed QECCBs for this project to move forward. The following are the other communities' reallocations:

New Hanover County	\$2,006,351.00
Robeson County	1,348,819.00
Wayne County	1,195,953.00
Cumberland County	<u>1,199,996.00</u>
Sub Total	5,751,119.00
Fayetteville (Pending)	<u>748,881.00</u>
Total Needed	<u>\$6,500,000.00</u>

The process for Fayetteville to transfer its allocation to NCAFA is straightforward with (1) the City Council adopting a resolution to direct the transfer of the local allocation to the State and (2) the state approving the transfer of the allocation to the NCAFA to be used to fund the Optima Project under the NCAFA GCP Program. NCAFA has an application pending with TRAC for approval of transfer of local allocations received to use in financial closing targeted for Q3 of 2016. NCAFA requests a transfer resolution be on the Council Agenda at their August 8th meeting.

Discussion ensued.

Consensus of Council was to direct staff to place this item on the August 8, 2016, regular City Council meeting agenda.

4.02 Recommended Park Bond Program Project Management Firm - Presentation

Mr. Rusty Thompson, Mott MacDonald, presented this item with the aid of a PowerPoint presentation, and provided an overview of the following: Firm profile, experience and qualifications of the firm, experience and qualifications of the proposed team, and technical approach. Mr. Thompson stated Mott MacDonald has 2,300 employees in North America, 62 offices in North America, 50 years in North America and a 114-year legacy around the world. Mr. Thompson also provided an overview of the project management and initial scope.

Discussion ensued.

Consensus of Council was to direct staff to place this item on the August 8, 2016, regular City Council meeting agenda.

4.03 Vacant Property Ordinance

Council Member deViere moved to table this item to the September work session to enable staff to have conversations with the appropriate agencies; Chamber of Commerce and realtors, and for staff to bring back a document that includes input from those agencies.

Mayor Pro Tem Colvin asked if that proposal would include conversations with stakeholders; downtown property owners. Council Member deViere responded yes, the Downtown Association should also be contacted.

Council Member Wright asked for a public forum on this item. Council Member Arp stated there is concern from some of the stakeholders regarding the language in the proposed ordinance that is considered very overreaching. Council Member Arp also expressed his concern over vacant properties; if the focus is only on downtown vacant properties, the vacant properties in other areas of the City will not be addressed. We need the appropriate stakeholders involved in the process.

Consensus of Council was to direct staff to place this item on the September 5, 2016, work session City Council meeting agenda. Council Member Jensen was not in agreement with the consensus.

Mayor Robertson stated this item first came to the Council in April 2015; after 18 months, I trust that staff can get it right next time it appears on the agenda.

4.04 Discussion of proposed areas for the Community Development Targeted Neighborhood Revitalization Program.

Mr. Victor Sharpe, Community Development Director, presented this item with the aid of a PowerPoint presentation and stated the 2016-2017 Annual Action Plan includes the newly formed Targeted Neighborhood Revitalization Program (TNRP). This program is designed to revitalize areas throughout the City in targeted areas. The

activities approved for the TNRP include a Residential Exterior Improvement Program and a Demolition Program. City Council has requested that staff provide a targeted data driven plan to identify priority areas. Information has been compiled on 6 areas for City Council to make a selection for the Targeted Neighborhood Revitalization Program. The areas for consideration include: Orange Street/Hillsboro Street Area; B Street/Lincoln Drive Area; Jasper Street Area; Bonnie Doone Area; Deep Creek Road Area and Massey Hill Area.

The Targeted Neighborhood Revitalization Program has two components. The first is the Residential Exterior Improvement Program (REIP) which will assist eligible low-moderate income households with repairs to the exterior of their homes. This program will be provided as a grant up to \$10,000.00 per structure. Items covered may include painting, roofing and other minor repairs to improve the exterior of the structure. Owners of rental properties will be able to participate if they have income eligible tenants residing in the house included in the target area. Rental property grants must be matched dollar for dollar up to \$10,000.00. The second component of the TNRP is demolition activities. The amount budgeted for the TNRP for 2016-2017 is \$353,127.00. Information on the six areas has been compiled to assist in the selection of a priority area for the Targeted Neighborhood Revitalization Program. The following information is provided for each area: Housing conditions, census block information (demographics, income, families, housing and social) and crime statistics. This information is very helpful in determining the overall condition of the areas. However, the most critical and the most telling of the information is the condition of the houses in the areas selected for review. The attached presentation provides an overview of each area studied. The 2016-2017 Community Development Annual Action Plan has allocated \$353,127.00 of the CDBG and HOME grant for the Targeted Neighborhood Revitalization Program. The budget for this program includes \$278,127.00 for the Residential Exterior Improvement program and \$75,000.00 for demolition activities. The available funding will support exterior rehabilitation for approximately 27 houses and demolition of approximately 21 dilapidated structures.

Council Member Wright asked if Mr. Sharpe knew how many murders had taken place in each area. Mr. Sharpe responded he did not have that information.

Council Member Jensen stated long-term residents may put up resistance to repairs and upgrades as they believe their home is just fine the way it is.

Council Member McDougald stated he is having heartburn over Jasper Street being separated; there is a lot of foot traffic on Jasper Street.

Council Member Arp asked to clarify what the money could be spent on. Mr. Sharpe responded Council identified two items: demolition and residential repairs.

Council Member Wright stated his primary interest is in creating jobs and providing employment, the majority of these areas are poverty stricken. Mr. Sharpe stated the objective of the program is to eliminate slums and blight.

Council Member Crisp asked that staff bring recommendations to Council of how and where to spend \$300,000.00 funds.

Council Member deViere stated we do not need ward/district politics weighing in on this item, we need data-driven decisions based on professional recommendations from staff.

Mr. Doug Hewett, Interim City Manager, stated this is a pilot program and this is the front end, we will make a recommendation and we will ask for your support.

Consensus of Council was to direct staff to place this item on the August 22, 2016, regular City Council agenda; with two recommendations that are data-driven based on professional recommendations.

4.05 Gateway Committee Request to PWC - Irrigation for Median Projects

Mr. Kristoff Bauer, Deputy City Manager, presented this item and stated with the leadership of the City Council and the Gateway Committee, the City has looked for opportunities to work with NC DOT to include landscaping in median project. The Ramsey Street and Glensford Drive projects are early examples of this effort and Grove Street is the most recent nearing completion. While potentially not necessary in broad swale like medians between divided roadways like portions of Bragg Boulevard and Cliffdale Road, irrigation is critical to the survivability of plant material in the narrow raised medians of most arterial streets. The City relies on PWC staff to design and install the taps for these systems and has typically been charged for lateral and Facility Investment Fee ("FIF"). FIFs are based on the size of the meter installed and are intended to contribute to the capital cost of increasing the capacity of the water treatment plant as new connections use up the existing capacity. City operations take on the ongoing maintenance cost and the water bill for any irrigation water used from PWC. There was a discussion of whether PWC should share some of the costs of this program in order to allow more projects to be completed for the limited resources allocated. This request was memorialized in a memorandum dated March 30, 2016. The Commission considered this request from the Gateway Committee during their meeting on June 22, 2016. The Commission had requested an estimated cost for a new policy waiving the charges currently being applied to these projects. Based on discussion at that meeting, staff was directed to narrow the cost estimate to projects to be constructed in FY 17. Council Member Arp, in his position as Council Liaison to PWC, also directed that this request for PWC to revise its fee policy should be considered by the full City Council. Staffs have worked together to develop the attached estimate specific to FY 17. You will note that there are estimated charges for "jumbo meter boxes." This charge applies when larger meters are used and has not been applicable to recent projects. The location and size of all taps and meters will be determined by PWC staff who designs all of these installations for the City. It may be possible to design these installations in a way that will allow this charge to be avoided. There is also an estimated charge of \$170,000.00 for a main extension on the Eastern Boulevard project that was shared with City staff on July 20, 2016. That project may need to be redesigned to reduce or eliminate this cost. While not completely consistent with the request from the Gateway Committee, the policy change being considered by the Commission was the waiver of the FIFs for projects of this type. For FY 17 that would mean a savings of \$138,780.00 under the attached estimate. The FY 17 Budget contains a total of \$477,500.00 in CIP funds to support all costs associated with these median projects. These funds are for all costs associated with these projects including those from NC DOT and PWC. Even with the FIF waiver, it will be necessary to adjust the scope and design of these projects to stay within currently budgeted resources.

Consensus of Council was to direct staff to place this item on consent on the August 8, 2016, regular City Council meeting agenda.

4.06 Permitting and Inspections Functions

Mr. Douglas Hewett, Interim City Manager, presented this item and stated local governments in North Carolina are required to enforce the NC Building Code. Local governments can choose to provide the services themselves, or they can contract with others to provide those services

related to building, electrical, plumbing, mechanical, and fire inspections and plan review. NC law requires that staff charged with interpreting and enforcing the Building Code be certified by the State. Due to temporary staffing issues, the Town of Hope Mills has asked if the City of Fayetteville could assist by providing inspections services for projects inside Town limits. State law allows for such arrangements, but requires approval from both governing bodies typically through an interlocal agreement. To provide a response to the Town of Hope Mills, staff is seeking direction from the City Council. The Town of Hope Mills has a staff of two multi-trades inspectors. Both inspectors recently accepted offers of employment with the City of Fayetteville. In an effort to continue providing inspection services, Hope Mills asked if the City could assist through an interlocal agreement.

Discussion ensued.

Consensus of Council was to direct staff to move forward and allow City of Fayetteville employees to contract a second job (if they so desire; similar to what police officers do), while not working for the City, the City has no liability as they are off duty.

4.07 Discussion of Project Home Run (Closed Session)

5.0 CLOSED SESSION

MOTION: Council Member Wright moved to go into closed session for consultation with the attorney for economic development matters.

SECOND: Mayor Pro Tem Colvin

VOTE: UNANIMOUS (10-0)

The regular session recessed at 7:10 p.m. The regular session reconvened at 8:05 p.m.

MOTION: Council Member Mohn moved to go into open session.

SECOND: Council Member deViere

VOTE: UNANIMOUS (10-0)

MOTION: Council Member Arp moved to hold a public hearing on August 11, 2016, for the purpose to invite citizen input on the proposed baseball stadium. Speakers will be allocated two minutes each to address the Council. The public hearing to be advertised in the newspaper.

SECOND: Council Member deViere

VOTE: UNANIMOUS (9-0)

4.0 OTHER ITEMS OF BUSINESS

4.08 City Council - Agenda Item Request - Review of House Party Ordinance - Mayor Pro Tem Colvin

This item was pulled from the agenda by Mayor Pro Tem Colvin.

6.0 ADJOURNMENT

There being no further business, the meeting adjourned at 8:07 p.m.