

**PASQUOTANK COUNTY, NORTH CAROLINA
JULY 29, 2013**

The Pasquotank County Board of Commissioners met today in a joint meeting with the City Council of Elizabeth City on Monday, July 29, 2013 in the Education Center at Albemarle Hospital.

MEMBERS PRESENT:

Jeff Dixon, Chairman
Joseph S. Winslow, Jr., Vice-Chairman
Lloyd E. Griffin, III
Cecil Perry
Dr. William R. Sterritt
Gary G. White
Frankie Meads

MEMBERS ABSENT:

None

OTHERS PRESENT:

Rodney Bunch, Interim County Manager
R. Michael Cox, County Attorney
Karen Jennings, Clerk to the Board

Also present were members of the City Council and city and county staff. Commissioner Cecil Perry gave the invocation before the meal. The business meeting was called to order at 6:30 PM by Chairman Jeff Dixon and Mayor Pro Tem Lena Hill-Lawrence who welcomed everyone present. Vice-Chairman Joe Winslow led in the Pledge of Allegiance to the American Flag.

1. INTRODUCTION OF ECSU INTERIM CHANCELLOR CHARLES BECTON:

Chairman Dixon recognized and introduced ECSU Interim Chancellor Charles Becton. Chancellor Becton stated that he is honored to be here tonight. He said he has been warmly welcomed to the area and plans to continue working on all the good things that the city, college, and university have been doing together. He stated that he looks forward to new and exciting initiatives and intends to get involved in the community while he is at ECSU.

2. UPDATE ON MIDDLE SCHOOL RENOVATION PROJECT:

City Manager Rich Olson explained that bids were opened on July 17 for the middle school renovation project and the four bids received far exceeded the budget for the project with a low bid of \$1,133,907 and a high bid of \$1,856,661. He stated that funding sources for the project include a \$500,000 NC Catalyst Community Development Block Grant and a pledge of \$75,000 in matching funds from the city and county each. It was hoped the total project cost would not exceed \$650,000. Mr. Olson said when the engineer began looking at the scope of work, he found that the building had a number of code violations that would have to be addressed before the building could be used which increased the scope of the project. He stated that it is recommended that the City Council and Board of Commissioners reject all bids. He noted that once that is done a number of different options will be developed for consideration including alterations to the bid documents, changing the scope of work, reconfiguring it to a certain degree, and putting it back out for bids.

Mr. Sean Robey of Hyman & Robey detailed several changes that could result in cost savings totaling approximately \$205,000. He noted that these potential savings are based on conversations with multiple bidders. He said they have looked at a possible reduction in the scope of the project by cutting back the number of square feet that are in the project, however there are ramifications with how much reduction could be done based on the fact that the initial \$500,000 CDBG Catalyst Grant is based upon a specified scope for the project. Mr. Olson added that just the electrical and HVAC work account for about \$700,000 of the project cost. He noted that he thinks another reason the bids were high is due to what the contractors believe are unknown items.

After discussion, City Council passed a motion to reject all bids and continue with the project.

Motion was made by Gary White, seconded by Frankie Meads to reject all bids received for the middle school renovation project. The motion carried.

Mr. Olson explained that Mr. Robey will look at the possible savings, re-scope the project, and have a new bid document out in a few weeks. Most likely the new bid opening date would be in September. If there is still a shortfall, the city and county would work together to try to find funding sources that would be acceptable to both the City Council and the Board of Commissioners.

3. UPDATE FROM COMMUNITY RELATIONS COMMISSION:

Mr. Olson provided an overview of the Community Relations Commission. He said the CRC was created in 2003 and consists of 15 members: eight appointed by the Mayor and seven appointed by the Chairman of the Board of Commissioners. The core mission of the CRC is to study problems of discrimination, protect basic human and civil rights, and to conduct and promote activities that foster mutual respect. Mr. Olson said the city has acted as the fiscal agent for the CRC and has sponsored several grant requests. He explained that city and county staff have worked together to develop four questions that should be asked tonight: 1) Should the mission of the CRC be changed? 2) Do we need to clarify their role and purpose? 3) Should the CRC be provided an annual funding allocation from the City and County? and 4) What needs are not being met by the CRC?

Dr. Kurt Hunsberger, Chairman of the CRC, provided a report on what has happened since the last report in April. He said since then one of their activities has been to support the Board of Commissioners Governance Committee's public forums about restructuring the voting process for the election of Pasquotank County Commissioners. He stated that some of their members have been active in participating in the 2020 Championing Diversity Subcommittee and that is ongoing. He said at the Potato Festival the CRC decided to interact with the community in some more tangible way, so some of the members produced a large whiteboard that asked individual citizens to stop by and talk to them and write on the board what they liked about the community, and what groups and activities had engaged them. He stated this was quite successful and they have the whiteboard that they hope to display in one of the empty department store windows this week. At the Juneteenth Festival another whiteboard was presented asking for comments and interaction about the idea of freedom in our community and our country. Dr. Hunsberger noted that several of the CRC members put a lot of time and effort in producing the board. He stated that the CRC has recently begun to collaborate with the Elizabeth City Police Department and several other groups in the community to try to find ways to promote activities with the youth which will help deter and prevent participation in gangs. He said they have plans to try to increase the awareness and participation in nominating a recipient of the annual Witherspoon-Harris Community Service Award which is presented each fall to the citizen who has especially contributed to improving race relations in the community.

Commissioner William Sterritt stated that the Board of Commissioners and the Governance Committee are very appreciative of the cooperation and interest that has been shown by the Community Relations Commission. He said they have been very faithful in attending meetings and the public forums. He added that he appreciates Dr. Hezekiah Brown's and Dr. Hunsberger's participation and their encouraging the members of the CRC to be present. He stated that the Governance Committee will meet tomorrow at 4:00 PM in the Hugh Cale Commissioners Board Room in the Courthouse and it is hoped that the committee will agree to make a presentation to the seven members of the Board of Commissioners at their meeting next Monday on what direction to go. He again thanked the Community Relations Commission for its assistance.

Dr. Hezekiah Brown pointed out that the CRC was established during a crisis and everyone was focused on them to come up with solutions to address the problems. He said when the crisis disappeared or slowed down, the interest in the CRC dwindled. He stated the CRC tries to be a proactive group and looks at ways to solve problems before they become major problems. He said one of the things they did was to train ten people to mediate disputes in the community. He stated it has never been used, but it is there in the event there is a dispute that needs to be addressed. He said one of the objectives of the commission is to receive referrals, mediate complaints, and provide programs that address concerns that result from prejudice and discrimination with regards to race, religion, age, gender, sex, ethnicity, and disability.

Commissioner Cecil Perry said the CRC has done an excellent job helping the county. He stated that most people do not know the importance of working together to try to make the community better. He stated when people ask that they be included in government it helps everybody in the community, especially the young people who get to see things differently. He thanked the Community Relations Commission for its help. He said some people are very uncomfortable when there is discussion regarding discrimination and segregation and they need to talk about it. He said he is very concerned because he has been on the back of the bus, has walked to a one room school when buses passed and he could not get on them. He said everyone needs to talk.

Mayor Pro Tem Hill-Lawrence said the concerns raised tonight surfaced at a recent City Council meeting and it was felt that more deliberation was needed on what to do with the CRC to make it more functional. She stated that the commission has no money and it is hard to plan programs not knowing how much money will be needed and hoping the funding will be provided. She said she personally participated in the mediation training provided by the CRC and they have provided several other beneficial programs and conferences. She said she believes the CRC should be provided with a funding allocation.

Councilman Michael Brooks stated that the next generation will have a different view because they grew up in a different atmosphere and in an integrated setting and they think differently. He said it is important to get the young people involved.

Councilman Tony Stimatz said he has observed during the past five years that the CRC does good things. He stated that one of the programs they had was a class on non-violent conflict resolution in the schools. He said it takes money to do this and the city and county should support such programs because they benefit everyone and carry over into all relationships. He stated that the CRC has tremendous potential and the two governing bodies need to tell them what they want them to do.

Mayor Pro Tem Lawrence suggested that one or two members of the Board of Commissioners and the City Council be appointed to serve on the Community Relations Commission.

Councilman Johnnie Walton stated that the members of the two boards and the people in the community need to change their mindsets to make a difference.

Commissioner William Sterritt stated that he believes the middle school project will do a wonderful good for community relations and will be a great thing if it can be accomplished. He added that he would not be opposed to providing some more dollars to make it successful.

Dr. Brown explained that young people have changed the world and that is why everything the CRC does starts out with the youth. He stated that more young people need to attend County Commissioner and City Council meetings to see how government works so that one day they might run for public office. He added that the young people can also help find a solution to the gang problem.

Chairman Dixon asked if there is support for appointing elected officials to the CRC. Dr. Hunsberger said it would be a good idea. It was noted that this would require a change in the bylaws of the CRC because the bylaws currently state that an elected official cannot serve on the commission. City and county staff were directed to work on revising the bylaws of the Community Relations Commission.

4. PROPOSED BUSINESS INVESTMENT PROGRAM:

Mr. Olson explained that city and county staff, along with Economic Developer Wayne Harris, realized that something needed to be done to jumpstart the economy in the Elizabeth City-Pasquotank County area. He said they have been working for a number of months on a proposed Business Investment Program (BIP). The goal of the program is to encourage the creation, retention and/or expansion of new or existing businesses and jobs in identified investment zones within the community. The program provides grants to companies based upon the amount of property tax generated by the business investment being made. He explained that several years ago state law was changed to allow cities and counties to do tax incremental financing and staff looked at creating a tax incremental financing program within the Elizabeth City-Pasquotank County area.

Interim County Manager Rodney Bunch stated that some of the eligible business growth clusters that are being considered for inclusion in the program are: aviation; manufacturing; emerging technologies & industries; logistical and distribution; and retail, which will increase the sales tax base. Eligible business investment zones would include: the downtown central business district; the Halstead Boulevard Corridor; the Aviation Research and Development Commerce Park; and locations that are consistent with adopted land use policies and plans.

Mr. Olson said the investment zones are very broad by definition, so if there is a project the city or the county deem acceptable, it would fit within the definition. He stated that the grant could also be considered for projects that convert or adaptively reuse vacant retail "big box" sites, whether inside or outside the development zone, provided that the planned use is consistent with adopted plans for that area. Program requirements are:

A minimum investment of \$3 million; and a minimum of 20 new jobs must be created; and the grant recipients must pay an average wage rate for all employees at the investment site equal to or greater than 100% of the average annual wage rate for Pasquotank County. The average wage can be lowered by up to 20% of those companies that pledge to employ Work First participants.

Or have the ability to increase the sales tax dollars or other tax revenue received by the City/County by \$150,000 per year;

Or manufacturing companies creating less than 20 new jobs, but at least 10, may be considered for the program with a minimum investment of \$6 million within the investment zone and the average salary is 25% above the Pasquotank County average salary.

Economic Developer Wayne Harris stated that the required investment and employment standards will be set forth in a contractual agreement between the city, county and grantee. These standards must be maintained throughout the term of the grant in order for grant payments to continue. Failure to maintain these levels during the grant term will result in suspension of grant payments until such time as the levels are once again met and maintained. Grant recipients that relocate outside the county during the term of the grant, or within three years after receipt of the final grant installment will be required to repay a proportional amount of the grant. Mr. Harris explained that grants last for a period of up to ten years and are based upon the new property tax generated by the investment. Grant criteria may be waived if the business can demonstrate that the city and county will receive other financial benefits from the business. The amount of the benefit must always be more than the value of the grant. Mr. Harris said the grant could be used as a match for state grants and the city or county could match a grant without having to put any money upfront. The amount of the grant begins at 100% of new property tax in year one, declining to 10% of new property tax in the tenth and final year.

Mr. Harris explained how the program would work. He said the Elizabeth City/Pasquotank County Economic Development Commission, together with the city and county, would identify candidate companies for the program. If the candidate meets the criteria of a Large Economic Impact Project then the city and county governments are involved in the process. City, county and EDC staff will evaluate the prospective project and develop the proposed grant. The City Council and the Board of Commissioners will consider approval of the proposed grant at an official meeting. Investment is broadly defined as improvements to land and/or buildings, or the purchase or lease of new equipment or buildings constructed for the qualifying company. All businesses must pay to the county the total amount of property taxes owed on the property. The city/county would determine the incremental increase for a given year and provide a grant back to the company pursuant to the policy.

Mr. Olson provided an example of a project that would qualify for the program and the amount of grants the project would receive over a ten year period. He said if the business is a retail establishment, the city and county would receive increased sales tax revenue that it would not receive otherwise.

The proposal was discussed a length, questions were asked, and concerns were expressed that this program leaves out the small businesses.

Following discussion;

Motion was made by Lloyd Griffin, seconded by Frankie Meads to direct the City Manager, County Manager and Economic Developer to come back with a revised plan or proposal to include the economic incentives that are proposed, as well as to include some type of structure for the smaller manufacturing and retail businesses. The motion carried.

City Council passed the same motion.

5. DISCUSSION REGARDING MERGER OF CITY AND COUNTY ANIMAL CONTROL BOARDS AND UNIFIED DANGEROUS DOG ORDINANCE:

County Attorney Mike Cox explained that there are still a few differences in the city and county Dangerous Dog Ordinances, mainly definitions, and he will bring those to the Board of Commissioners. He said the county adopted a Dangerous Dog Ordinance in 2005 and the city adopted one in 2012. He said currently the Board of Commissioners sits as the Animal Control Board, and the City has an elected official, a city resident, and an SPCA representative on its Animal Control Board. He stated that the ordinance will be on the agenda for the August 5 meeting for the Board to review and he believes the Board can work through the differences. He said if there are still differences, it should not be a problem as long as the Animal Control Board understands the differences between the two ordinances. It was noted that the City Council plans to hold a public hearing on the proposed Dangerous Dog Ordinance at its August 12 meeting.

Motion was made by Lloyd Griffin, seconded by Cecil Perry to accept the proposed merger of the city and county Animal Control Boards with staff to continue to work on language in the Dangerous Dog Ordinance. The motion carried unanimously.

6. COMMENTS FROM COUNTY COMMISSIONERS AND CITY COUNCILORS:

Commissioner Lloyd Griffin reported that the Hospital Board and the Board of Commissioners made the decision to move forward with a lease with Sentara. He said the final details are being worked out and it is hoped the transition can be made by the end of the year.

Councilman Kem Spence stated that he currently serves on the city's Animal Control Board and dangerous dogs have been a significant issue lately and should be taken seriously.

Councilman Johnnie Walton said he would like to commend the Hospital Board on its recent decision regarding lease of the hospital.

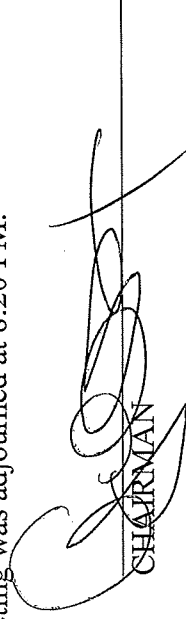
Councilwoman Anita Hummer stated that she has the same concerns that Councilman Spence expressed about the Dangerous Dog Ordinance. She said between now and August 12 City Council needs to look at it closely and forward any further questions or concerns to the City Manager prior to the public hearing.

Chairman Jeff Dixon said as a fairly large business owner he would like to address the Business Investment Program. He stated that his business is based on consumption and there is only more consumption when more people move into the city and county. He stated that businesses like his need this type of economic incentive to draw large retail businesses or manufacturers to the area. He said trying to make the program more restrictive will not help. He added that everyone should keep this in mind when considering the program guidelines.

Vice-Chairman Joe Winslow stated that many times when a new business comes to the area there is a spinoff of small businesses that are created.

Chairman Dixon thanked everyone for coming tonight and he asked for a motion to adjourn.

Motion was made by Joe Winslow, seconded by Cecil Perry to adjourn the meeting. The motion carried and the meeting was adjourned at 8:20 PM.


CHAIRMAN


CLERK TO THE BOARD